

COUNTY OF PLACER
STATE OF CALIFORNIA



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2004



Spears Ranch

KATHERINE J. MARTINIS, CPA
AUDITOR-CONTROLLER

**COUNTY OF PLACER, CALIFORNIA
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

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COUNTY OF PLACER

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OFFICE OF AUDITOR-CONTROLLER

November 30, 2004

To the Board of Supervisors and Citizens of Placer County:

The comprehensive annual financial report (CAFR) of the County of Placer, California (County) for the fiscal year ended June 30, 2004, is hereby submitted in accordance with Section 25253 of the Government Code of the State of California. This statute requires that the County publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America and audited in conformance with auditing standards generally accepted in the United States of America by a firm of certified public accountants.

This report consists of management's representations concerning the finances of the County. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the County has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft or misuse and to compile sufficient reliable information for the preparation of the County's financial statements in conformity with U.S. generally accepted accounting principles (GAAP). Because the costs of internal controls should not outweigh their benefits, the County's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, the information contained herein is complete and reliable in all material respects.

The County's financial statements have been audited by Bartig, Basler & Ray, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements for the fiscal year ended June 30, 2004 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the County of Placer's basic financial statements for the year ended June 30, 2004, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the County was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on

the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the County's separately issued Single Audit Report.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The County of Placer's MD&A can be found immediately following the report of the independent auditors.

The Financial Report

The Comprehensive Annual Financial Report consists of three main sections:

- The Introductory Section is intended to help readers get acquainted with the County, its organizational structure, the scope of its services and the legal context.
- The Financial Section presents the basic financial statements, which include the government-wide statements, the fund statements, the notes to the basic financial statements, management's discussion and analysis, and the independent auditor's report.
- The Statistical Section presents multi-year statistics on demographic and other data of interest to the reader.

Profile of the Government

The County is located 80 miles northeast of San Francisco, and Auburn, the County seat, is located 120 miles southwest of Reno. The County encompasses over 1,431 square miles of land and water and serves a population of 292,000.

The County provides a wide range of services to its residents, including public protection through the Sheriff's Department, Fire Services, District Attorney's office, medical and health services, public assistance programs, sanitation services, the construction and maintenance of roads and infrastructure, environmental services, parks, libraries, and a variety of other general governmental services. Every resident of the County, directly or indirectly, benefits from these services. Most services performed by the County are provided for all residents, regardless of whether those residents live in cities or unincorporated areas. A major challenge to the County in future years will be the maintenance of these services to the extent feasible within the County's financial resources.

The financial reporting entity (County of Placer) includes all the funds of the primary government (the County of Placer as legally defined), as well as all of its component units. Blended component units, although legally separate entities, are considered to be part of the primary government's operations for financial reporting purposes, as required by GAAP. The following component units are blended: County Service Areas, Sewer Maintenance Districts, Newcastle and Penryn Lighting Districts, Redevelopment Agency of Placer County, and North Lake Tahoe Public Financing Authority. The First 5 Placer Children and Families Commission is included in this report as a discretely presented component unit.

In accordance with the provisions of California Government Code Sections 29000 through 29143 inclusive, commonly known as the County Budget Act, the County prepares and adopts a budget for each fiscal year. Activities of the General Fund, Special Revenue Funds and Capital Projects Fund are included in the annual budget. The legal level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established at the departmental level except for fixed assets, which are controlled at the line item level. The budgeted expenditures become law through the passage of an Appropriation Resolution. This Resolution constitutes the authorized spending threshold for the fiscal year, and cannot be exceeded except by subsequent amendment of the budget by the Board of Supervisors. In the governmental funds, an encumbrance system is used to ensure effective budgetary control and to enhance cash planning and control. Encumbrances outstanding at June 30 are reported as reservations of fund balance.

Factors Affecting Financial Condition

Placer County Economy: Placer County continues to be one of the fastest growing counties in California. The County has the biggest over-the-year percentage increase in employment among the largest counties in the United States for the second year. The growth in jobs has occurred in various parts of the County, mainly in the services and trades sectors.

The County's rapid growth is expected to continue into the next century. The county's population is expected to be over 339,300 by 2010, an increase of 16 percent over the current population.

Placer County's unemployment rate fell to 4.3 percent in 2004. The County's unemployment remains below both the statewide unemployment level of 5.7 percent and the national average of 5.1 percent.

State Government: The County is a political subdivision of the State of California and as such, its government is subject to State subventions and regulations. Therefore, the County's financial health is tied closely to the financial condition of the State government. The County cannot predict whether the State will continue to encounter budgetary difficulties in the current or future fiscal years. The County also cannot predict the impact future budgets will have on the County's finances and operations. Current and future State budgets will be affected by national and State economic conditions and other factors that the County cannot control.

Intergovernmental revenues account for half of all governmental funds' revenue. Reductions of revenues as a result of a state deficit could have a significant impact on Placer County.

Long-term Financial Plans: The County's future goals include:

- Construction of a South Placer Criminal Justice Center, an Auburn Justice Center, and a Land Development Building,
- Continuing efforts to support Placer Legacy's Open Space and Agricultural Conservation Program
- Transitioning responsibility for trial court facilities from the County to the State
- Addressing the significant increases in Workers Compensation, health insurance and retirement costs

Cash Management Policies and Procedures

Except for amounts held with trustees under bond indenture or other restrictive agreements, the County's cash and investments are invested by the County Treasurer. The Treasury Oversight Committee has regulatory oversight for all monies deposited in the Treasury Pool. Such amounts are invested in accordance with investment policy guidelines established by the County Treasurer and reviewed by the Board. The objectives of the policy are, in order of priority, safety of principal, liquidity, and yield. The policy addresses the soundness of financial institutions in which the County will deposit funds, types of investment instruments permitted by the California Government Code, and the percentage of the portfolio that may be invested in certain instruments with longer terms to maturity.

Risk Management

The County is self-insured for unemployment, general liability, worker's compensation, and certain employee health coverages. The County records estimated liabilities for such claims filed or expected to be filed for incidents that have occurred. The self-insured amounts for all types of losses except unemployment and dental and vision coverage are supplemented with insurance policies (refer to Note 12). County officials believe that assets of the Self Insurance Internal Service Fund, together with funds to be provided in the future, will be adequate to meet all of the claims related to these liabilities as they come due.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) of the United States and Canada awarded the Certificate of Achievement for Excellence in Financial Reporting to the County of Placer for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2003. This is the third consecutive year that Placer County received this award. The Certificate of Achievement is a prestigious award recognizing conformance with the highest standards for preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized CAFR, the contents of which conform to program standards and satisfy both generally accepted accounting principles and applicable legal requirements.

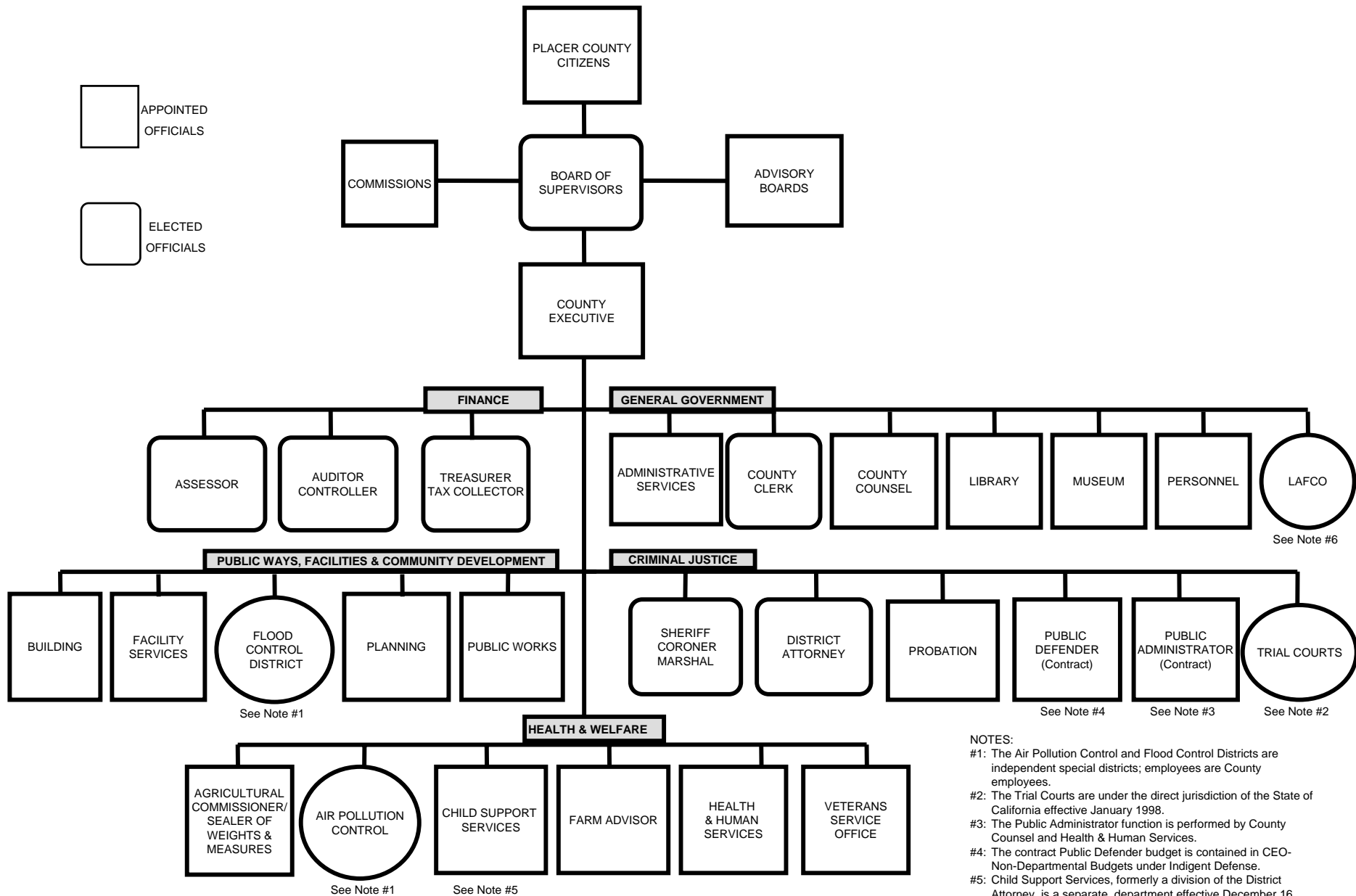
A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are applying for the Certificate again this year.

This Comprehensive Annual Financial Report was made possible through the combined efforts of many individuals. I am especially grateful to the members of my staff for their special efforts, particularly Andrew Sisk. In addition, I acknowledge the leadership and support provided by the Board of Supervisors and the County Executive that ensure the general fiscal health and integrity of the County.

Respectfully submitted,

Katherine J. Martinis, CPA
Auditor-Controller

PLACER COUNTY ORGANIZATION CHART



NOTES:

- #1: The Air Pollution Control and Flood Control Districts are independent special districts; employees are County employees.
- #2: The Trial Courts are under the direct jurisdiction of the State of California effective January 1998.
- #3: The Public Administrator function is performed by County Counsel and Health & Human Services.
- #4: The contract Public Defender budget is contained in CEO-Non-Departmental Budgets under Indigent Defense.
- #5: Child Support Services, formerly a division of the District Attorney, is a separate department effective December 16, 2000.
- #6: The Local Agency Formation Commission (LAFCO) is an independent Commission; employees are County employees.

**PLACER COUNTY OFFICIALS
GOVERNING BODY**

ELECTED

BOARD OF SUPERVISORS

Bill Santucci Supervisorial District 1

Robert M. Weygandt Supervisorial District 2

Harriet White Supervisorial District 3

Edward “Ted” M. Gaines Supervisorial District 4

Rex Bloomfield Supervisorial District 5

Assessor Bruce Dear

Auditor-Controller Katherine Martinis

County Clerk-Recorder-Registrar of Voters James McCauley

District Attorney Brad Fenocchio

Sheriff-Coroner-Marshall Ed Bonner

Treasurer/Tax Collector Jenine Windeshausen

**PLACER COUNTY OFFICIALS
GOVERNING BODY**

APPOINTED

Administrative Assistant to the Board of Supervisors	John Marin
Administrative Services Director	Richard Colwell
Agricultural Commissioner/Sealer of Weights & Measures	Christine E. Turner
Air Pollution Control Officer	Thomas Christofk
Chief Building Official	Bill Schulze
Child Support Services	Pamela McManis
County Counsel	Anthony LaBouff
County Executive Officer	Jan Christofferson
Facility Services Director	Thomas Miller
Farm Advisor	Sharon Junge
Health & Human Services Director	Dr. Richard Burton
Library Services Director	Elaine Reed
Museum Director	Jerry Rouillard
Personnel Director	Nancy Nittler
Planning Director	Fred Yeager
Probation Officer	Fred Morawcznski
Public Works Director/Road Commissioner	Tim Hackworth
Veterans Service Officer	Fred Murphy

Certificate of Achievement for Excellence in Financial Reporting

Presented to

County of Placer,
California

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2003

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Nancy L. Ziehl

President

Jeffrey R. Emer

Executive Director

FINANCIAL SECTION



FINANCIAL SECTION

Bartig, Basler & Ray

A Professional Corporation

Certified Public Accountants and Management Consultants

Frank V. Trythall
Kenneth E. Pope
Brad W. Constantine
Bruce W. Stephenson
Roseanne M. Lopez
Jason J. Cardinet
Tyler K. Hunt

Curtis A. Orgill
M. Elba Zúñiga

INDEPENDENT AUDITOR'S REPORT

To the Grand Jury and the Board of Supervisors
of the County of Placer
Auburn, California

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County of Placer, California (County), as of and for the year ended June 30, 2004, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County of Placer, California, as of June 30, 2004, and the respective changes in financial position and cash flows, where applicable, for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated October 7, 2004 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

To the Grand Jury and the Board of Supervisors
of the County of Placer
Auburn, California

Management's discussion and analysis and schedules of funding progress and budgetary comparison information on pages 3 through 14 and pages 67 through 72 respectively, are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The introductory section, combining and individual nonmajor fund statements and schedules and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on them.

BARTIG, BASLER & RAY, CPAs, INC.

Bartig, Basler & Ray, CPAs, Inc.

October 7, 2004
Roseville, California

**COUNTY OF PLACER
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

This section of the County of Placer's (County) comprehensive annual financial report presents a discussion and analysis of the County's financial performance during the fiscal year ended June 30, 2004. It should be read in conjunction with the transmittal letter at the front of this report and the County's basic financial statements following this section. All dollar amounts are expressed in thousands unless otherwise noted.

FINANCIAL HIGHLIGHTS

- The assets of the County exceeded liabilities at the close FY 2003-04 by \$554,059 (*net assets*). Of the net assets amount, \$163,605 in *unrestricted net assets* is available to meet ongoing obligations to citizens and creditors, \$133,199 in *restricted net assets* must be used only for specific purposes and \$257,255 is *invested in capital assets, net of related debt*.
- The County's total net assets increased by \$42,907. The increase is due to County growth as reflected by increases in property and sales taxes, operating grants and contributions, and an increase in charges for services due to rate increases.
- As of June 30, 2004, the County governmental funds reported combined fund balances of \$290,455 an increase of \$19,320 in comparison with the prior year. Approximately 87.9 percent of the combined fund balances, or \$254,961 is available to meet the County's current and future needs (*unreserved fund balance*).
- At the end of the fiscal year, unreserved fund balance for the General Fund, the county's largest fund, was \$82,001 or 45.8 percent of total General Fund expenditures. However, this entire amount has been budgeted either for expenditure in FY 2004-05 or is reserved for future uses, although there is usually increased carryover fund balance each year from budget savings or revenues in excess of budget.
- The County's total long-term debt increased by \$35,783 in comparison with the prior year. Due to the addition of the Gold Country Settlement Funding Corporation as part of the County's reporting entity, the County's loans payable increased \$40,485 as a result of a Corporation loan to the California County Tobacco Securitization Agency. A change in the County's policy on sick leave payout to employees accounted for a \$6,102 decrease in long-term debt. Self- insurance liabilities (general liability and worker's compensation) accounted for a \$2,300 increase in long-term debt.

OVERVIEW OF THE FINANCIAL STATEMENTS

The discussion and analysis in this section are intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements comprise three components: 1) **Government-wide** financial statements, 2) **Fund** financial statements, and 3) **Notes** to the basic financial statements. **Required Supplementary Information** is included in addition to the basic financial statements.

Government-wide financial statements are designed to provide readers with a broad overview of the County finances, using accounting methods similar to those of a private-sector business. These statements provide both long-term and short-term information about the County's overall financial status. The government-wide financial statements can be found on pages 17-19 of this report.

The *Statement of Net Assets* presents information on all the County's assets and liabilities as of the end of the fiscal year, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

The *Statement of Activities* presents information on how net assets changed during the fiscal year, with revenues and expenses by major type or function. Revenues and expenses are reported when the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of these government-wide financial statements distinguish functions of the County that are principally supported by taxes, intergovernmental and program revenues (*governmental activities*) from other functions that are intended to recover most or all of their costs through user fees and charges (*business-type activities*). The governmental activities of the County include general government, public protection, public assistance, health and sanitation, public ways and facilities, recreation and cultural services and education. The business-type activities of the County include community health clinics, facilities management, food services, public transit and waste disposal.

Blended component units are included in the County's basic financial statements and consist of legally separate entities for which the County is financially accountable and that have substantially the same board as the County or provide services entirely to the County. Examples are the Redevelopment Agency of Placer County, the North Lake Tahoe Public Financing Authority, the Gold Country Settlement Funding Corporation and numerous County Service Areas and Special Districts governed by the Board of Supervisors. The First 5 Placer Children and Families Commission is reported as a *discretely presented component unit* because the governing body is not substantially the same as the County Board of Supervisors. For further information concerning the County component units, refer to the separately issued financial statements, which are available from the Office of the Auditor-Controller upon request.

Fund financial statements are the more familiar groupings of related accounts that are used to keep track of specific sources of funding and spending for particular purposes. Some funds are required by state or federal law or by debt covenants. All of the County's funds can be divided into three categories: *governmental funds*, *proprietary funds* and *fiduciary funds*.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, the governmental funds financial statements focus on the shorter-termed financial resources, such as cash, that (1) have been spent on governmental programs during the fiscal year and (2) that will be available for financing such programs in the near future. The governmental funds financial statements are presented by major fund and for nonmajor funds in the aggregate on pages 20-26 of this report.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The County maintains 21 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balances for the General Fund, Public Safety Fund, Public Ways and Facilities Fund, Capital Improvements Fund and Capital Projects Securitization Fund. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for these nonmajor governmental funds are provided in the form of combining statements elsewhere in this report.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

Proprietary funds are of two types: enterprise funds and internal service funds. These funds provide services that are usually supported in total or major part by customer fees and charges. The proprietary funds financial statements can be found on pages 27-31 of this report.

Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. As noted previously, the County uses enterprise funds to account for Transit, Facilities, Health and Human Services, County Service Areas and Sewer Maintenance Districts.

Internal service funds are an accounting device used to accumulate and allocate costs for services to the County's various functions. The County uses internal service funds to account for its telecommunications operations, workers' compensation and risk management, employee dental and vision and unemployment insurance programs, fleet services operations and maintenance, special district's administration and operations, correction's food services and countywide technology development and maintenance. Because these services predominantly benefit governmental rather than business-type functions, they have been included primarily within *governmental activities* in the government-wide financial statements, except for special districts administration and operations, which primarily benefit the county service areas, sewer maintenance districts and waste disposal operations.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. All of the County's enterprise funds are considered to be major enterprise funds. The County's three internal service funds are also combined into a single, aggregated presentation in the proprietary funds financial statements. Individual fund data for the internal service funds are provided in the form of combining statements elsewhere in this report.

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds, except for agency funds, which have more limited accounting and financial statements because of their purely custodial character. The fiduciary fund financial statements can be found on pages 32-33 of this report.

Notes to the Basic Financial Statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes can be found on pages 34-65 of this report.

Required Supplementary Information is presented concerning budgetary comparison schedules for the General Fund and major Special Revenue Funds, as well as the schedules of funding progress. Required supplementary information can be found on pages 66-72 of this report.

Immediately following the required supplementary information, the combining and individual fund statements and schedules referred to earlier provide information for nonmajor governmental funds and internal service funds. The combining and individual fund statements and schedules can be found on pages 73-107 of this report.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the County, net assets (assets in excess of liabilities) were \$554,059 at June 30, 2004, the close of the County's fiscal year.

Condensed Statement of Net Assets
June 30, 2004
(in thousands)

	Governmental Activities		Business-type Activities		Total		Total
	2004	2003	2004	2003	2004	2003	(%) Change
Assets:							
Current and other assets	\$ 364,134	\$ 330,471	\$ 36,584	\$ 33,168	\$ 400,718	\$ 363,639	10.2%
Capital assets, net	198,276	198,443	89,396	87,258	287,672	285,701	0.7%
Total assets	<u>562,410</u>	<u>528,914</u>	<u>125,980</u>	<u>120,426</u>	<u>688,390</u>	<u>649,340</u>	<u>6.0%</u>
Liabilities:							
Current and other liabilities	28,395	23,760	1,684	3,852	30,079	27,612	8.9%
Noncurrent liabilities	96,060	64,124	8,192	8,039	104,252	72,163	44.5%
Total liabilities	<u>124,455</u>	<u>87,884</u>	<u>9,876</u>	<u>11,891</u>	<u>134,331</u>	<u>99,775</u>	<u>34.6%</u>
Net Assets:							
Invested in capital assets, net of related debt	171,083	170,842	86,172	82,844	257,255	253,686	1.4%
Restricted	133,199	102,880	-	-	133,199	102,880	29.5%
Unrestricted	133,673	167,308	29,932	25,691	163,605	192,999	-15.2%
Total net assets	<u>\$ 437,955</u>	<u>\$ 441,030</u>	<u>\$ 116,104</u>	<u>\$ 108,535</u>	<u>\$ 554,059</u>	<u>\$ 549,565</u>	<u>0.8%</u>

The largest portion of the County's net assets of \$257,255 (46.4 percent) reflects its investment in *capital assets* (e.g. land and easements, structures and improvements, infrastructure, and equipment), less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, such as tax revenues, since the capital assets themselves cannot be used to liquidate these liabilities. Another significant portion of the County's net assets (29.6 percent) represents *unrestricted net assets* of \$163,605, which may be used to meet the County's ongoing obligations to citizens and creditors. The remaining balance of the County's net assets of \$133,199 (24.0 percent) represents resources that are subject to external restrictions on how they may be used.

At the end of the current fiscal year, the County reported positive balances in all three categories of net assets, both for the County as a whole, as well as for its separate governmental and business-type activities.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

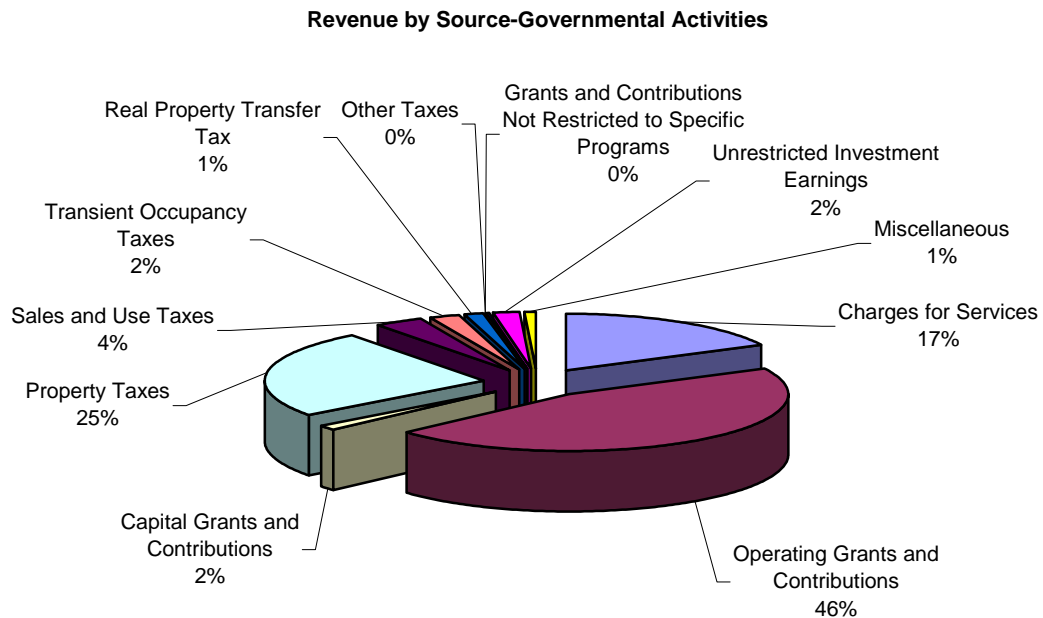
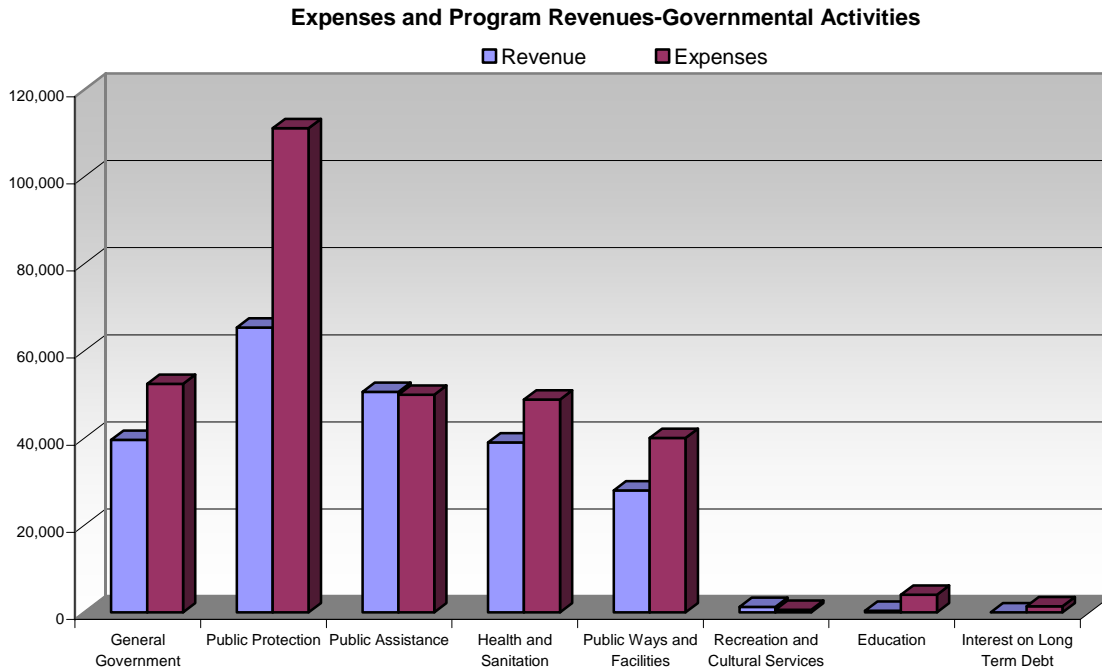
The County's total net assets increased by \$42,907. The increase is due to County growth as reflected by increases in property and sales taxes, operating grants and contributions, and an increase in charges for services due to rate increases. The following table indicates the changes in net assets for governmental and business-type activities:

Condensed Statement of Activities For the Fiscal Year Ended June 30, 2004 (in thousands)

	Governmental Activities		Business-type Activities		Total		Total (%) Change
	2004	2003	2004	2003	2004	2003	
Revenues:							
Program revenues:							
Charges for services	\$ 60,334	\$ 64,977	\$ 18,147	\$ 18,644	\$ 78,481	\$ 83,621	-6.1%
Operating grants and contributions	158,683	160,836	7,257	10,170	165,940	171,006	-3.0%
Capital grants and contributions	5,411	5,801	4,695	5,960	10,106	11,761	-14.1%
General revenues:							
Property taxes	86,312	77,075	97	72	86,409	77,147	12.0%
Sales and use taxes	12,608	12,054	2,811	2,713	15,419	14,767	4.4%
Transient occupancy taxes	7,306	7,061	-	-	7,306	7,061	3.5%
Real property transfer tax	4,963	3,818	-	-	4,963	3,818	30.0%
Other taxes	51	97	-	-	51	97	-47.4%
Grants and contributions not restricted to specific programs	1,283	4,222	-	-	1,283	4,222	-69.6%
Tobacco settlement	2,465	-	-	-	2,465	-	-
Unrestricted investment earnings	6,828	9,423	674	864	7,502	10,287	-27.1%
Miscellaneous	2,629	3,237	-	-	2,629	3,237	-18.8%
Total revenues	348,873	348,601	33,681	38,423	382,554	387,024	-1.2%
Expenses:							
General government	52,503	51,166	-	-	52,503	51,166	2.6%
Public protection	111,150	105,726	-	-	111,150	105,726	5.1%
Public assistance	50,005	50,761	-	-	50,005	50,761	-1.5%
Health and sanitation	48,893	50,658	-	-	48,893	50,658	-3.5%
Public ways and facilities	40,083	29,316	-	-	40,083	29,316	36.7%
Recreation and cultural services	595	496	-	-	595	496	20.0%
Education	4,067	5,022	-	-	4,067	5,022	-19.0%
Interest on long-term debt	3,818	1,408	-	-	3,818	1,408	171.2%
Community health clinics	-	-	9,323	12,771	9,323	12,771	-27.0%
Facilities	-	-	3,323	3,603	3,323	3,603	-7.8%
Food services	-	-	-	321	-	321	-100.0%
Public transit	-	-	5,298	5,094	5,298	5,094	4.0%
Waste disposal	-	-	10,589	12,021	10,589	12,021	-11.9%
Total expenses	311,114	294,553	28,533	33,810	339,647	328,363	3.4%
Increase in net assets before special item and transfers	37,759	54,048	5,148	4,613	42,907	58,661	-26.9%
Transfers	(2,421)	(4,776)	2,421	4,776	-	-	0.0%
Change in net assets	35,338	49,272	7,569	9,389	42,907	58,661	-26.9%
Net assets, beginning of year, restated	402,617	353,345	108,535	99,146	511,152	452,491	13.0%
Net assets, end of year	\$ 437,955	\$ 402,617	\$ 116,104	\$ 108,535	\$ 554,059	\$ 511,152	8.4%

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

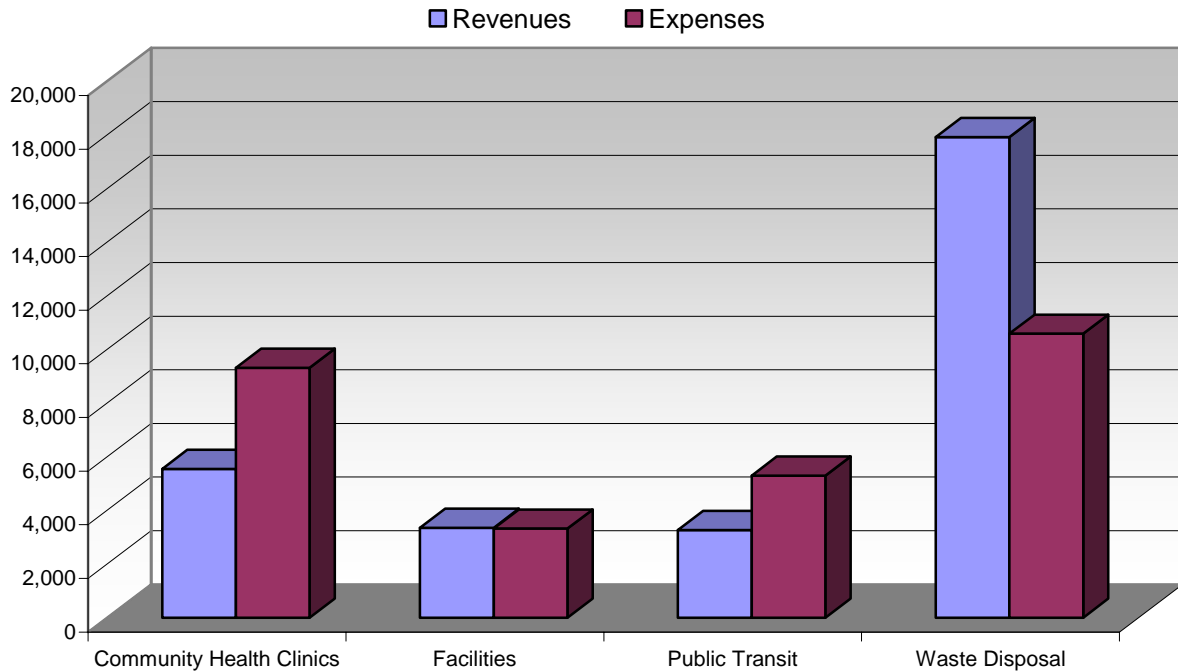
Governmental activities increased the County's net assets by \$35,337 thereby accounting for most of the increase in net assets of the County. The increase is due to County growth as reflected by increases in property taxes, operating grants and contributions, and an increase in charges for services due to rate increases.



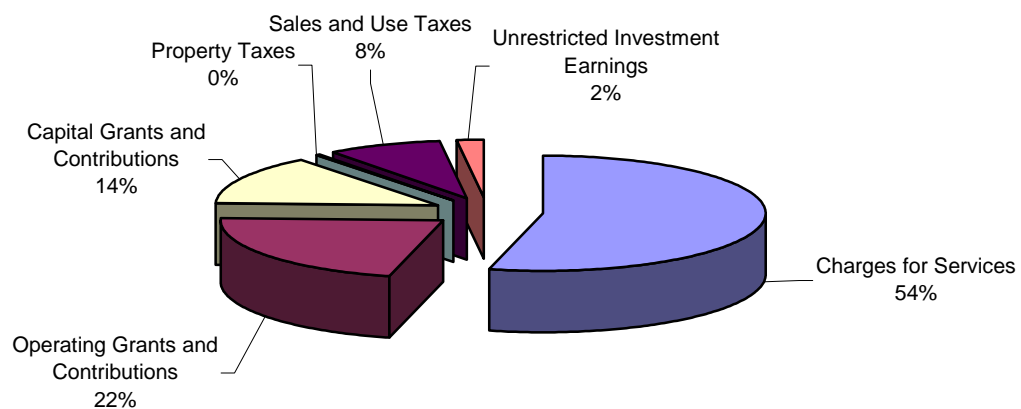
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

Business-type activities increased the County's net assets by \$7,569. The key factor that contributed to this increase was increased operating and capital grants and contributions and charges for services.

Expenses and Program Revenues-Business Type Activities



Revenue by Source-Business-Type Activities



MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds

The County's general government functions are contained in the General, Special Revenue, Debt Service, Capital Projects Funds and Permanent Fund. Also included in these funds are the special districts governed by the Board of Supervisors. As noted previously, the focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's more immediate financing requirements.

In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. At June 30, 2004, the County's governmental funds reported combined fund balances of \$290,455, an increase of \$19,320 in comparison with the prior year. Approximately 87.9 percent of the combined fund balances, or \$254,961, constitutes unreserved fund balance, which is available to meet the County's current and future needs. The remainder of fund balance is reserved indicating that it is not available for new spending because it has been committed: 1) to pay debt service; 2) to reflect inventories, prepaids and deposits from others and the amount due from other funds that are long-term in nature and thus do not represent available spendable resources; 3) to liquidate contractual commitments of the period; and 4) to a general reserve established per County policy.

The General Fund is the chief operating fund of the County. At June 30, 2004, unreserved fund balance of the General Fund was \$82,001, while total fund balance reached \$92,161. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represented 45.8 percent of total fund expenditures, while total fund balance represented 51.5 percent of that same amount. The County General Fund's fund balance increased by \$4,236 during the current fiscal year. The key factors to this increase were increases in property and sales taxes and charges for services (revenues) and a stabilization of the County's workforce leading directly to cost savings. The remaining major funds and other governmental funds' balances increased by \$15,419 to \$191,869. The key factor in this increase is due to increases in General Fund operating transfers for public protection services (Public Safety Fund) and developer fees in the Capital Improvements Fund for planned capital infrastructure expenditures in the future.

The following table presents the amount of revenues from various sources as well as increases or decreases from the prior year.

Revenues by Source	FY 2004		FY 2003		Increase (Decrease)	
	Amount	% of Total	Amount	% of Total	Amount	% of Change
Taxes	\$ 105,647	31.22%	\$ 95,244	27.80%	\$ 10,403	10.92%
Licenses, permits and franchise	6,922	2.05%	5,707	1.67%	1,215	21.29%
Fines, forfeitures and penalties	12,634	3.73%	11,456	3.34%	1,178	10.28%
Use of money and property	6,134	1.81%	8,512	2.48%	(2,378)	-27.94%
Intergovernmental	154,468	45.64%	159,855	46.67%	(5,387)	-3.37%
Charges for services	46,253	13.67%	52,652	15.37%	(6,399)	-12.15%
Contributions and donations	663	0.20%	5,337	1.56%	(4,674)	-87.58%
Tobacco settlement	2,465	0.73%	-	0.00%	2,465	-
Miscellaneous revenues	3,255	0.96%	3,786	1.12%	(531)	-14.03%
Total	<u>\$ 338,441</u>	<u>100.00%</u>	<u>\$ 342,549</u>	<u>100.00%</u>	<u>\$ (4,108)</u>	<u>-102.58%</u>

- *Taxes* increased by \$10.4 million or 10.9%. This increase is a result of the strong local real estate market as the County is the fastest-growing County in California.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

- *Charges for services* decreased \$6.4 million or 12.1%. This decrease is due to mainly to one-time infusion of approximately \$10.0 million in fees for development and mitigation in the prior fiscal year.
- *Use of money and property* decreased \$2.4 million or 27.9%. This decrease is due to average interest yield rates in the Investment Pool dropping from 3.208% in the prior year to 2.157% in the current year as a result of market conditions.
- *Contributions and donations* decreased \$4.7 million or 87.6%. This decrease is due to one-time contributions in fiscal year 2002/03 to the Public Safety Fund and the Library Fund for approximately \$1.7 million and \$2.6 million, respectively.

The following table presents the amount of expenditures by function as well as increases or decreases from the prior year displayed.

Expenditures by Function	Expenditures by Function (in thousands)					
	FY 2004		FY 2003		Increase (Decrease)	
	Amount	% of Total	Amount	% of Total	Amount	% of Change
General government	\$ 54,631	17.37%	\$ 48,428	15.75%	\$ 6,203	12.81%
Public protection	109,702	34.87%	104,451	33.98%	5,251	5.03%
Public assistance	50,005	15.90%	50,760	16.51%	(755)	-1.49%
Health and sanitation	48,805	15.51%	50,565	16.45%	(1,760)	-3.48%
Public ways and facilities	19,390	6.16%	18,102	5.89%	1,288	7.12%
Recreation and cultural services	523	0.17%	431	0.14%	92	21.35%
Education	3,932	1.25%	4,884	1.59%	(952)	-19.49%
Capital outlay	21,798	6.93%	27,249	8.86%	(5,451)	-20.00%
Principal paid on long-term debt	1,964	0.62%	1,096	0.37%	868	79.20%
Interest on long-term debt	3,828	1.22%	1,425	0.46%	2,403	168.63%
Total	<u>\$ 314,578</u>	<u>100.00%</u>	<u>\$ 307,391</u>	<u>100.00%</u>	<u>\$ 7,187</u>	<u>249.68%</u>

- *General government* expenditures increased \$6 million or 13% from the prior year. Special elections accounted for \$2 million, land development budget increases of \$2 million and the remaining increases were due to increased benefits to County retirees and employees.
- *Public protection* expenditures increased \$5 million or 5%. This increase is due to increased salaries and benefits for staffing at the new jail wing, court security costs and additional security services provided to the new casino.
- *Capital outlay* expenditures decreased \$5.5 million or 20%. This decrease is due to completion of major capital projects in fiscal year 2003 and a minor slowdown in construction in 2004 in anticipation of heavy construction commencing in fiscal year 2005 for three major capital projects.
- *Principal and interest* expenditures increased approximately \$3.3 million or 130% from the prior year as a result of adding the Gold Country Settlement Funding Corporation to the County's reporting entity.

Proprietary funds

The County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. The net assets of the enterprise funds increased \$7,445 to \$114,501. Most of this increase came from increased operating revenue, capital grants and contributions and charges for services. The internal service funds net assets increased by \$1,663 to \$23,496.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

GENERAL FUND BUDGETARY HIGHLIGHTS

Differences between the original budget and the final amended budget for the fiscal year ended June 30, 2004 resulted in a \$4,397 increase in appropriations. The difference between the final amended budget and actual expenditures for the fiscal year ended June 30, 2004 was approximately \$33,282 and can be briefly summarized as follows:

- \$20,556 under-budget in general government expenditures due to a stabilization of the County's workforce, work-furlough programs, departmental cost savings and contingencies.
- \$8,110 and \$3,885 under-budget in health/sanitation and public assistance expenditures and public protection expenditures, respectively, due to a stabilization of the County's workforce, work-furlough programs, departmental cost savings and contingencies.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets

The County's investment in capital assets for its governmental and business-type activities as of June 30, 2004, amounted to \$287,673 (net of accumulated depreciation). This investment in capital assets includes land and easements, infrastructure, structures and improvements, equipment and construction in progress. The total increase in the County's investment in capital assets for the current period was less than 1 percent.

Major capital asset events during the current fiscal year included the following:

- \$9.9 million increase in land as a result of real estate purchases (\$3.3 million for Spears Ranch and \$1.0 million for other County and Redevelopment Agency projects) and \$5.6 million for easements and right of way due to road construction
- \$8.2 million decrease in construction in progress due to road maintenance and road overlay costs being expensed instead of capitalizing and depreciating

The following table presents a summary of the County's capital assets at June 30, 2004.

	Capital Assets June 30, 2004 (in thousands)						
	Governmental activities		Business-type activities		Total		
	2004	2003	2004	2003	2004	2003	% of change
Land	\$ 25,258	\$ 15,380	\$ 1,398	\$ 1,398	\$ 26,656	\$ 16,778	58.87%
Construction in progress	33,114	42,972	2,862	1,209	35,976	44,181	-18.57%
Structures and improvements	84,652	83,488	44,257	43,911	128,909	127,399	1.19%
Equipment	41,770	41,501	9,461	9,455	51,231	50,956	0.54%
Infrastructure	200,652	196,614	84,316	81,462	284,968	278,076	2.48%
Less: Accumulated depreciation	(187,170)	(181,512)	(52,897)	(50,177)	(240,067)	(231,689)	3.62%
Total	\$ 198,276	\$ 198,443	\$ 89,397	\$ 87,258	\$ 287,673	\$ 285,701	0.69%

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

Long-term debt

At June 30, 2004, the County had total long-term debt outstanding of \$109,991. This amount is comprised of \$41,392 in loans payable, \$24,805 of certificates of participation, \$11,075 of compensated absences, \$2,590 of sewer and water and lease revenue bonds, \$22,758 of self insurance liability, \$4,944 of landfill postclosure liability and \$2,427 of capital leases payable.

During the year, retirement of debt amounted to \$1,945. Additions included \$445 for new capital leases and \$597 for a new redevelopment agency loan. Compensated absences decreased \$6,100 as a result of a County sick leave policy change, while general liability and worker's compensation (self insurance liability) increased \$2,302.

Upon the adoption of GASB Technical Bulletin 2004-1, *Tobacco Settlement Recognition and Financial Reporting Entity Issues*, the County has included the Gold Country Settlement Funding Corporation as part of its reporting entity. The Corporation has a loan payable to the California County Tobacco Securitization Agency of \$40,485 at June 30, 2004.

The following table represents a summary of the County long-term debt as of June 30, 2004.

Outstanding Long-Term Debt							
June 30, 2004							
(in thousands)							
	Governmental activities		Business-type activities		Total		% of change
	2004	2003	2004	2003	2004	2003	
Revenue bonds	\$ -	\$ -	\$ 2,590	\$ 2,856	\$ 2,590	\$ 2,856	-9.31%
Capital leases	1,792	2,081	635	791	2,427	2,872	-15.49%
Certificates of participation	24,805	25,520	-	-	24,805	25,520	-2.80%
Loans payable	41,082	-	-	-	41,082	-	-
Self insurance	22,758	20,456	-	-	22,758	20,456	11.25%
Landfill closure liability	-	-	4,944	5,018	4,944	5,018	-1.47%
Compensated absences	10,335	16,068	740	1,108	11,075	17,176	-35.52%
Total	\$ 100,772	\$ 64,125	\$ 8,909	\$ 9,773	\$ 109,681	\$ 73,898	48.42%

More detailed information about the County's long-term debt is presented in Notes 7 and 8 in the basic financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Due to the State budget crisis and the resulting risk of significant revenue reductions from State sources, the following factors were considered in preparing the County's balanced budget for fiscal year 2004-2005:

- ❖ To develop the department requested budgets at or near fiscal year 2003-2004 base funding levels. Restrictions on expenditure growth were necessary to balance the budget and stabilize service delivery systems.
- ❖ To maintain critical operations, programs and service levels, where possible.
- ❖ Continue with planned for and previously funded infrastructure and within overall financial resources provide for investments in County "quality of life" efforts and technology.
- ❖ To maintain, where possible, adequate contingencies and reserve levels.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

In addition to the above, these factors were also considered:

- ❖ The fiscal year 2004-2005 budget relies on a year of slow paced growth and a 3% increase in the operating budget. Charges for services are expected to increase by \$8 million as a result of Board-approved fee increases and funding for capital infrastructure projects.
- ❖ The County's unemployment rate is at 4.3%, comparing favorably to the State of California rate of 5.7% and the U.S. rate of 5.1%.
- ❖ Salary and benefit costs in the County's operating funds have increased approximately \$11.1 million or 6.6% from the prior year budget. In addition to expected salary adjustments for labor contract provisions and merit step increases, the cost for employee medical, dental and vision insurance coverage continues to rise at a phenomenal rate. Also, the continuing poor performance of the investment market and sluggish economy has resulted in increased costs for contributions to the employee retirement system.
- ❖ Changes occurring in the insurance industry nationwide since the events of September 11th have caused insurance premium rates for next year's coverage to escalate upward of 100-150%. Escalating insurance costs were passed on to County departments through workers' compensation and general liability rate increases.
- ❖ The Board of Supervisors has approved a \$300 million Capital Facilities Financing Plan, including construction of the Auburn Justice Center and Land Development Buildings, renovation of the Fulweiler Administrative Annex, the South Placer Criminal Justice site acquisition and the Public Works Cabin Creek relocation.
- ❖ Currently, the State's fiscal crisis has led to a decrease in approximately \$19 million as a result of loss of \$6 million in motor vehicle license fee, \$10 million in state mandates and \$3 million as a result of an additional property tax shift. At this time, it is unknown when the County can expect repayment from the State as the State has yet to appropriate such funds.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Auditor-Controller, 2970 Richardson Drive, Auburn, CA 95603.

County of Placer, California

**Statement of Net Assets
June 30, 2004**

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Children and Families Commission
Assets				
Cash and investments	\$ 313,370,556	\$ 35,081,851	\$ 348,452,407	\$ 7,326,826
Receivables (net)	48,721,542	1,140,076	49,861,618	647,533
Internal balances	145,476	(145,476)	-	-
Other assets	1,896,143	111,785	2,007,928	1,742
Restricted cash and investments	-	395,430	395,430	-
Capital assets:				
Nondepreciable	58,371,988	4,259,986	62,631,974	-
Depreciable, net	139,904,313	85,136,435	225,040,748	-
Total assets	<u>562,410,018</u>	<u>125,980,087</u>	<u>688,390,105</u>	<u>7,976,101</u>
Liabilities				
Payables	14,373,695	858,051	15,231,746	448,949
Accrued interest	586,781	34,422	621,203	-
Deferred revenue	8,722,374	74,641	8,797,015	-
Noncurrent liabilities:				
Due within one year	4,711,877	716,264	5,428,141	-
Due in more than one year	96,060,461	8,192,318	104,252,779	-
Total liabilities	<u>124,455,188</u>	<u>9,875,696</u>	<u>134,330,884</u>	<u>448,949</u>
Net Assets				
Invested in capital assets, net of related debt	171,082,598	86,171,916	257,254,514	-
Restricted for:				
Debt service	6,454,858	-	6,454,858	-
Grantors	6,134,654	-	6,134,654	-
Donors	655,802	-	655,802	-
State mandate/enabling legislation	119,938,539	-	119,938,539	-
Perpetual care, nonexpendable	15,000	-	15,000	-
Unrestricted	133,673,379	29,932,476	163,605,855	7,527,152
Total net assets	<u>\$ 437,954,830</u>	<u>\$ 116,104,392</u>	<u>\$ 554,059,222</u>	<u>\$ 7,527,152</u>

The notes to the financial statements are an integral part of this statement.

County of Placer, California

Statement of Activities For the Fiscal Year Ended June 30, 2004

Functions/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 52,503,190	\$ 18,587,044	\$ 21,036,580	\$ -
Public protection	111,150,382	19,108,181	46,290,418	-
Public assistance	50,005,393	564,205	50,099,722	-
Health and sanitation	48,892,904	4,714,601	34,336,653	-
Public ways and facilities	40,082,884	15,887,672	6,736,194	5,410,552
Recreation and cultural services	594,924	1,245,895	-	-
Education	4,066,715	226,219	183,218	-
Interest on long-term debt	3,817,985	-	-	-
Total governmental activities	311,114,377	60,333,817	158,682,785	5,410,552
Business-type activities:				
Community health clinics	9,322,688	875,848	4,674,018	-
Facilities	3,323,288	1,592,392	1,460,000	303,002
Public transit	5,297,964	655,365	1,076,671	1,538,453
Waste disposal	10,589,005	15,023,425	45,923	2,853,519
Total business-type activities	28,532,945	18,147,030	7,256,612	4,694,974
Total primary government	\$ 339,647,322	\$ 78,480,847	\$ 165,939,397	\$ 10,105,526
Component unit:				
Children and Families Commission	\$ 3,181,261	\$ -	\$ 2,949,339	\$ -

General revenues
 Property taxes
 Sales and use taxes
 Transient occupancy taxes
 Real property transfer taxes
 Other taxes
 Grants and contributions not restricted to specific programs
 Tobacco settlement
 Unrestricted investment earnings
 Miscellaneous
 Total general revenues

Transfers

 Change in net assets
Net assets, beginning of year, restated
Net assets, end of year

The notes to the financial statements are an integral part of this statement.

County of Placer, California

**Statement of Activities
For the Fiscal Year Ended June 30, 2004**

Net (Expense) Revenue and Changes in Net Assets					
Primary Government			Component Unit		
Governmental Activities	Business-type Activities	Total	Children and Families Commission		Functions/Programs
					Primary government:
					Governmental activities:
\$ (12,879,566)	\$ -	\$ (12,879,566)	\$ -	-	General government
(45,751,783)	-	(45,751,783)	-	-	Public protection
658,534	-	658,534	-	-	Public assistance
(9,841,650)	-	(9,841,650)	-	-	Health and sanitation
(12,048,466)	-	(12,048,466)	-	-	Public ways and facilities
650,971	-	650,971	-	-	Recreation and cultural services
(3,657,278)	-	(3,657,278)	-	-	Education
(3,817,985)	-	(3,817,985)	-	-	Interest on long-term debt
(86,687,223)	-	(86,687,223)	-	-	Total governmental activities
					Business-type activities:
-	(3,772,822)	(3,772,822)	-	-	Community health clinics
-	32,106	32,106	-	-	Facilities
-	(2,027,475)	(2,027,475)	-	-	Public transit
-	7,333,862	7,333,862	-	-	Waste disposal
-	1,565,671	1,565,671	-	-	Total business-type activities
(86,687,223)	1,565,671	(85,121,552)	-	-	Total primary government
					Component unit:
-	-	-	(231,922)	-	Children and Families Commission
86,312,332	97,271	86,409,603	-	-	
12,607,591	2,811,125	15,418,716	-	-	
7,305,673	-	7,305,673	-	-	
4,962,951	-	4,962,951	-	-	
51,173	-	51,173	-	-	
1,282,996	-	1,282,996	-	-	
2,464,799	-	2,464,799	-	-	
6,828,714	673,843	7,502,557	170,172	-	
2,629,188	-	2,629,188	-	-	
124,445,417	3,582,239	128,027,656	170,172	-	
(2,420,902)	2,420,902	-	-	-	
35,337,292	7,568,812	42,906,104	(61,750)	-	
402,617,538	108,535,580	511,153,118	7,588,902	-	
\$ 437,954,830	\$ 116,104,392	\$ 554,059,222	\$ 7,527,152	-	

The notes to the financial statements are an integral part of this statement.

County of Placer, California

**Balance Sheet
Governmental Funds
June 30, 2004**

	<u>General Fund</u>	<u>Public Safety</u>	<u>Public Ways and Facilities</u>
Assets			
Cash and investments	\$ 80,421,714	\$ 3,989,984	\$ 43,779,920
Cash with fiscal agent	-	-	-
Deposits with others	-	-	-
Receivables (net):			
Accounts	2,059,576	746,329	23,760
Notes	-	-	-
Due from other funds	1,406,731	-	-
Due from other governments	30,581,743	6,078,130	2,382,014
Inventories	57,991	-	374,266
Prepaid items	600,934	15,800	4,891
Advances to other funds	1,779,824	-	-
Total assets	<u>\$ 116,908,513</u>	<u>\$ 10,830,243</u>	<u>\$ 46,564,851</u>
Liabilities and Fund Balances			
Liabilities:			
Accounts payable and accrued liabilities	\$ 5,321,655	\$ 1,475,626	\$ 743,290
Due to other funds	39,766	-	-
Due to other governments	2,604,909	-	-
Deposits from others	433,240	165,495	-
Deferred revenue	16,347,876	891,125	6,776,863
Advances from other funds	-	-	-
Total liabilities	<u>24,747,446</u>	<u>2,532,246</u>	<u>7,520,153</u>
Fund balances:			
Reserved for:			
Encumbrances	3,316,480	2,194,278	4,346,037
Deposits with others	-	-	-
Notes receivable	-	-	-
Inventories	57,991	-	374,266
Prepaid items	600,934	15,800	4,891
Advances	1,779,824	-	-
Imprest cash	7,788	3,240	-
General reserve	4,396,618	244,755	1,095
Debt service	-	-	-
Unreserved, reported in:			
General fund	82,001,432	-	-
Special revenue funds	-	5,839,924	34,318,409
Capital projects funds	-	-	-
Debt service fund	-	-	-
Permanent fund	-	-	-
Total fund balances	<u>92,161,067</u>	<u>8,297,997</u>	<u>39,044,698</u>
Total liabilities and fund balances	<u>\$ 116,908,513</u>	<u>\$ 10,830,243</u>	<u>\$ 46,564,851</u>

The notes to the financial statements are an integral part of this statement.

County of Placer, California

**Balance Sheet
Governmental Funds
June 30, 2004**

Capital Improvements	Capital Projects Securitization	Other Governmental Funds	Total Governmental Funds
\$ 77,370,653	\$ 27,933,433	\$ 34,980,009	\$ 268,475,713
-	-	7,668,150	7,668,150
-	-	3,300	3,300
-	-	1,837,093	4,666,758
-	-	4,178,737	4,178,737
-	-	448,273	1,855,004
-	-	795,949	39,837,836
-	-	-	432,257
-	-	138,579	760,204
-	-	807,237	2,587,061
<u>\$ 77,370,653</u>	<u>\$ 27,933,433</u>	<u>\$ 50,857,327</u>	<u>\$ 330,465,020</u>
\$ 624,437	\$ 79,831	\$ 1,330,798	\$ 9,575,637
-	-	448,273	488,039
-	-	-	2,604,909
-	-	548,278	1,147,013
-	-	177,050	24,192,914
-	-	2,001,568	2,001,568
<u>624,437</u>	<u>79,831</u>	<u>4,505,967</u>	<u>40,010,080</u>
2,341,268	758,993	1,998,951	14,956,007
-	-	3,300	3,300
-	-	4,178,737	4,178,737
-	-	-	432,257
-	-	138,579	760,204
-	-	807,237	2,587,061
-	-	750	11,778
-	-	2,161,845	6,804,313
-	-	5,759,817	5,759,817
-	-	-	82,001,432
-	-	24,374,176	64,532,509
74,404,948	27,094,609	3,481,371	104,980,928
-	-	3,442,910	3,442,910
-	-	3,687	3,687
<u>76,746,216</u>	<u>27,853,602</u>	<u>46,351,360</u>	<u>290,454,940</u>
<u>\$ 77,370,653</u>	<u>\$ 27,933,433</u>	<u>\$ 50,857,327</u>	<u>\$ 330,465,020</u>

Assets

Cash and investments
Cash with fiscal agent
Deposits with others
Receivables (net):
 Accounts
 Notes
Due from other funds
Due from other governments
Inventories
Prepaid items
Advances to other funds

Total assets

Liabilities and Fund Balances

Liabilities:
 Accounts payable and accrued liabilities
 Due to other funds
 Due to other governments
 Deposits from others
 Deferred revenue
 Advances from other funds

Total liabilities

Fund balances:

Reserved for:
 Encumbrances
 Deposits with others
 Notes receivable
 Inventories
 Prepaid items
 Advances
 Imprest cash
 General reserve
 Debt service

Unreserved, reported in:
 General fund
 Special revenue funds
 Capital projects funds
 Debt service fund
 Permanent fund

Total fund balances

Total liabilities and fund balances

The notes to the financial statements are an integral part of this statement.

County of Placer, California

**Reconciliation of the Balance Sheet
for Governmental Funds
to the Statement of Net Assets
June 30, 2004**

Amounts reported for governmental activities in the statement of net assets are different because:

Fund balances - total governmental funds (Page 21)	\$ 290,454,940
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds as follows:	
Capital assets, governmental activities	198,276,301
Less capital assets in Internal Service Funds reported below	<u>(9,903,868)</u>
Net capital assets	188,372,433
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds:	15,470,540
Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the County Services and Self Insurance Internal Service Funds are included in governmental activities in the statement of net assets	21,892,122
Some liabilities are not due and payable in the current period and therefore are not reported in the funds as follows:	
Certificates of participation	(24,805,000)
Loans payable	(41,081,667)
Capital leases	(1,792,036)
Interest payable	(586,781)
Compensated absences	(9,969,721)
Net assets of governmental activities (Page 17)	<u><u>\$ 437,954,830</u></u>

The notes to the financial statements are an integral part of this statement.

County of Placer, California

**Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
For the Fiscal Year Ended June 30, 2004**

	<u>General Fund</u>	<u>Public Safety</u>	<u>Public Ways and Facilities</u>
Revenues			
Taxes	\$ 91,590,724	\$ -	\$ 2,154,271
Licenses and permits	6,806,851	35,946	79,277
Fines, forfeitures and penalties	11,148,443	334,002	768,970
Use of money and property	3,263,131	36,830	869,858
Intergovernmental	103,548,899	35,244,212	10,441,546
Charges for services	22,712,656	3,866,073	6,723,177
Contributions and donations	11,000	21,450	-
Tobacco settlement	-	-	-
Miscellaneous	1,474,069	675,900	22,853
Total revenues	<u>240,555,773</u>	<u>40,214,413</u>	<u>21,059,952</u>
Expenditures			
Current:			
General government	48,988,771	-	-
Public protection	31,922,768	72,912,791	-
Public assistance	47,988,216	-	-
Health and sanitation	48,788,693	-	-
Public ways and facilities	-	-	18,790,058
Recreation and cultural services	192,892	-	-
Education	231,158	-	-
Debt service:			
Principal	209,784	-	401,310
Interest	67,663	-	14,830
Capital outlay	632,110	272,539	5,788,192
Total expenditures	<u>179,022,055</u>	<u>73,185,330</u>	<u>24,994,390</u>
Excess (deficiency) of revenues over (under) expenditures	<u>61,533,718</u>	<u>(32,970,917)</u>	<u>(3,934,438)</u>
Other Financing Sources (Uses)			
Long-term debt proceeds	-	-	444,996
Proceeds from sale of capital assets	-	-	9,553
Transfers in	978,070	38,184,315	5,859,896
Transfers out	<u>(58,276,390)</u>	<u>-</u>	<u>(2,347,206)</u>
Total other financing sources (uses)	<u>(57,298,320)</u>	<u>38,184,315</u>	<u>3,967,239</u>
Net change in fund balances	4,235,398	5,213,398	32,801
Fund balances, beginning of year, restated	<u>87,925,669</u>	<u>3,084,599</u>	<u>39,011,897</u>
Fund balances, end of year	<u>\$ 92,161,067</u>	<u>\$ 8,297,997</u>	<u>\$ 39,044,698</u>

The notes to the financial statements are an integral part of this statement.

County of Placer, California

**Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
For the Fiscal Year Ended June 30, 2004**

<u>Capital Improvements Fund</u>	<u>Capital Projects Securitization</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ -	\$ -	\$ 11,902,195	\$ 105,647,190
-	-	-	6,922,074
-	-	382,636	12,634,051
1,126,364	-	837,538	6,133,721
549,450	-	4,684,182	154,468,289
7,642,635	-	5,308,057	46,252,598
125,000	-	505,025	662,475
-	-	2,464,799	2,464,799
820,301	-	262,136	3,255,259
<u>10,263,750</u>	<u>-</u>	<u>26,346,568</u>	<u>338,440,456</u>
-	-	5,588,996	54,577,767
-	-	4,866,223	109,701,782
-	-	2,017,177	50,005,393
-	-	16,527	48,805,220
-	-	599,515	19,389,573
-	-	383,504	576,396
-	-	3,700,395	3,931,553
-	-	1,352,721	1,963,815
-	-	3,746,100	3,828,593
<u>7,634,490</u>	<u>2,358,365</u>	<u>5,112,077</u>	<u>21,797,773</u>
<u>7,634,490</u>	<u>2,358,365</u>	<u>27,383,235</u>	<u>314,577,865</u>
<u>2,629,260</u>	<u>(2,358,365)</u>	<u>(1,036,667)</u>	<u>23,862,591</u>
-	-	596,667	1,041,663
-	-	-	9,553
6,279,162	-	5,777,012	57,078,455
<u>(440,836)</u>	<u>-</u>	<u>(1,607,394)</u>	<u>(62,671,826)</u>
<u>5,838,326</u>	<u>-</u>	<u>4,766,285</u>	<u>(4,542,155)</u>
8,467,586	(2,358,365)	3,729,618	19,320,436
<u>68,278,630</u>	<u>30,211,967</u>	<u>42,621,742</u>	<u>271,134,504</u>
<u>\$ 76,746,216</u>	<u>\$ 27,853,602</u>	<u>\$ 46,351,360</u>	<u>\$ 290,454,940</u>

Revenues

Taxes
Licenses and permits
Fines, forfeitures and penalties
Use of money and property
Intergovernmental
Charges for services
Contributions and donations
Tobacco settlement
Miscellaneous
Total revenues

Expenditures

Current:

General government
Public protection
Public assistance
Health and sanitation
Public ways and facilities
Recreation and cultural services
Education

Debt service:

Principal
Interest

Capital outlay

Total expenditures

Excess (deficiency) of revenues over (under)
expenditures

Other Financing Sources (Uses)

Long-term debt proceeds
Proceeds from sale of capital assets
Transfers in
Transfers out

Total other financing sources (uses)

Net change in fund balances

Fund balances, beginning of year

Fund balances, end of year

The notes to the financial statements are an integral part of this statement.

County of Placer, California
Reconciliation of the Statement of Revenues,
Expenditures and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Fiscal Year Ended June 30, 2004

Amounts reported for governmental activities in the statement of activities (Pages 18-19) are different because:

Net change in fund balances - total governmental funds (Page 25)	\$	19,320,436
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay		21,175,709
Donated capital assets		(11,025,210)
Depreciation expense		(11,032,639)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the fund.		8,865,045
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The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets.

Proceeds from capital lease financing		(1,041,663)
Debt principal payments		1,963,815

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Compensated absences		5,561,081
Accrued interest payable		10,608

Internal service funds are used by management to charge the costs of telecommunications, countywide technology projects, fleet, reprographics, mail, records management, self insurance and dental and vision insurance. The net expense of certain activities of the County Services and Self Insurance Internal Service Funds are reported with governmental activities.

		1,540,110
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Change in net assets of governmental activities (Page 19)	\$	<u>35,337,292</u>
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The notes to the financial statements are an integral part of this statement.

County of Placer, California

**Statement of Net Assets
Proprietary Funds
June 30, 2004**

Business-type Activities-Enterprise Funds

	Transit	Facilities	Health and Human Services	County Service Areas	Sewer Maintenance Districts	Total	Internal Service Funds
Assets							
Current assets:							
Cash and investments	\$ 1,774,411	\$ 22,150,329	\$ 192,237	\$ 1,704,108	\$ 8,415,570	\$ 34,236,655	\$ 38,071,889
Receivables (net)	292,296	-	-	77,896	73,088	443,280	60,754
Due from other funds	39,766	-	-	-	-	39,766	-
Due from other governments	93,958	-	534,373	45,922	-	674,253	-
Inventories	-	-	-	-	-	-	690,520
Prepaid items	-	-	8,788	-	102,997	111,785	9,862
Total current assets	<u>2,200,431</u>	<u>22,150,329</u>	<u>735,398</u>	<u>1,827,926</u>	<u>8,591,655</u>	<u>35,505,739</u>	<u>38,833,025</u>
Noncurrent assets:							
Restricted cash and investments	-	395,430	-	-	-	395,430	-
Advances to other funds	-	-	-	-	62,659	62,659	884,909
Capital assets:							
Land	-	1,169,413	-	37,914	190,821	1,398,148	20,095
Buildings and improvements	3,199,341	19,048,190	-	460,958	21,531,897	44,240,386	1,314,479
Equipment	6,858,548	94,897	137,088	-	318,556	7,409,089	18,671,916
Infrastructure	-	173,792	-	10,990,563	73,151,443	84,315,798	-
Construction in progress	2,449,509	412,329	-	-	-	2,861,838	127,321
Less accumulated depreciation	(3,931,567)	(15,000,544)	(91,281)	(2,027,555)	(30,643,493)	(51,694,440)	(9,364,341)
Total capital assets, net	<u>8,575,831</u>	<u>5,898,077</u>	<u>45,807</u>	<u>9,461,880</u>	<u>64,549,224</u>	<u>88,530,819</u>	<u>10,769,470</u>
Total noncurrent assets	<u>8,575,831</u>	<u>6,293,507</u>	<u>45,807</u>	<u>9,461,880</u>	<u>64,611,883</u>	<u>88,988,908</u>	<u>11,654,379</u>
Total assets	<u>10,776,262</u>	<u>28,443,836</u>	<u>781,205</u>	<u>11,289,806</u>	<u>73,203,538</u>	<u>124,494,647</u>	<u>50,487,404</u>
Liabilities							
Current liabilities:							
Accounts payable and accrued liabilities	60,891	75,003	146,337	22,097	188,083	492,411	1,107,719
Due to other funds	-	-	-	-	-	-	1,406,731
Due to other governments	-	-	-	-	-	-	-
Deposits from others	-	188,758	-	59,820	43,070	291,648	12,409
Compensated absences	54,882	28,570	47,924	-	-	131,376	177,718
Interest payable	-	10,134	-	1,025	23,263	34,422	-
Deferred revenue	13,096	51,910	9,635	-	-	74,641	-
Capital lease obligations	-	270,000	-	-	166,824	436,824	-
Bonds payable	-	-	-	6,000	-	6,000	-
Total current liabilities	<u>128,869</u>	<u>624,375</u>	<u>203,896</u>	<u>88,942</u>	<u>421,240</u>	<u>1,467,322</u>	<u>2,704,577</u>
Noncurrent liabilities:							
Compensated absences	100,721	91,964	161,868	-	-	354,553	441,600
Advances from other funds	-	-	-	445,864	-	445,864	1,087,197
Self insurance liabilities	-	-	-	-	-	-	22,758,300
Capital lease obligations	-	2,285,000	-	-	467,681	2,752,681	-
Landfill postclosure	-	4,944,443	-	-	-	4,944,443	-
Bonds payable	-	-	-	29,000	-	29,000	-
Total noncurrent liabilities	<u>100,721</u>	<u>7,321,407</u>	<u>161,868</u>	<u>474,864</u>	<u>467,681</u>	<u>8,526,541</u>	<u>24,287,097</u>
Total liabilities	<u>229,590</u>	<u>7,945,782</u>	<u>365,764</u>	<u>563,806</u>	<u>888,921</u>	<u>9,993,863</u>	<u>26,991,674</u>
Net Assets							
Invested in capital assets, net of related debt	8,575,831	3,343,077	45,807	9,426,880	63,914,719	85,306,314	10,769,470
Unrestricted	<u>1,970,841</u>	<u>17,154,977</u>	<u>369,634</u>	<u>1,299,120</u>	<u>8,399,898</u>	<u>29,194,470</u>	<u>12,726,260</u>
Total net assets	<u>\$ 10,546,672</u>	<u>\$ 20,498,054</u>	<u>\$ 415,441</u>	<u>\$ 10,726,000</u>	<u>\$ 72,314,617</u>	<u>114,500,784</u>	<u>\$ 23,495,730</u>
Adjustment to reflect the consolidation of the District Services Internal Service Fund activities related to enterprise funds						<u>1,603,608</u>	
Net assets of business-type activities (Page 17)						<u>\$ 116,104,392</u>	

The notes to the financial statements are an integral part of this statement.

County of Placer, California

**Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
For the Fiscal Year Ended June 30, 2004**

Business-type Activities-Enterprise Funds

Operating Revenues

Charges for sales and services:

	Transit	Facilities	Health and Human Services	County Service Areas	Sewer Maintenance Districts	Total	Internal Service Funds
Tenant rentals	\$ -	\$ 923,737	\$ -	\$ -	\$ -	\$ 923,737	\$ -
County contribution in lieu of rent	-	1,460,000	-	-	-	1,460,000	-
Passenger fares	578,657	-	-	-	-	578,657	-
Sewer and water fees	-	-	-	-	608,969	608,969	-
Connection fees	-	-	-	266,266	1,012,473	1,278,739	-
Landfill fees	-	3,600,081	-	-	-	3,600,081	-
Direct charges	-	36,823	-	586,992	7,384,834	8,008,649	-
Other charges for current services	-	1,167,819	864,060	56,823	95,434	2,184,136	-
Insurance charges	-	-	-	-	-	-	13,603,034
Automotive mileage	-	-	-	-	-	-	6,095,540
Telecommunication fees	-	-	-	-	-	-	3,792,430
Special district fees	-	-	-	-	-	-	7,677,112
Materials and supplies	-	-	-	-	-	-	268,293
Data processing maintenance service	-	-	-	-	-	-	1,069,818
Printing services	-	-	-	-	-	-	1,580,329
Mailing services	-	-	-	-	-	-	177,504
Miscellaneous	76,708	413,001	11,788	-	7,519	509,016	471,304
Total operating revenues	655,365	7,601,461	875,848	910,081	9,109,229	19,151,984	34,735,364

Operating Expenses

Salaries and employee benefits	2,240,816	1,496,282	5,369,090	-	-	9,106,188	8,477,931
Service and supplies	2,402,535	2,632,555	3,936,028	753,171	6,541,124	16,265,413	17,507,428
Depreciation	632,341	431,142	10,542	151,770	1,727,333	2,953,128	1,718,958
Judgements and damages	-	-	-	-	-	-	9,198,958
Total operating expenses	5,275,692	4,559,979	9,315,660	904,941	8,268,457	28,324,729	36,903,275
Operating income (loss)	(4,620,327)	3,041,482	(8,439,812)	5,140	840,772	(9,172,745)	(2,167,911)

Nonoperating Revenues (Expenses)

Taxes	2,811,125	-	-	-	97,271	2,908,396	-
Interest revenue	24,382	465,212	2,469	30,337	136,869	659,269	754,207
Interest expense	-	(131,853)	(7,028)	(2,564)	(44,499)	(185,944)	-
(Loss) on disposal of capital assets	(22,272)	-	-	-	-	(22,272)	(107,357)
Intergovernmental	1,076,671	346,293	4,674,018	45,923	-	6,142,905	-
Total nonoperating revenues (expenses)	3,889,906	679,652	4,669,459	73,696	189,641	9,502,354	646,850
Income (loss) before capital contributions and transfers	(730,421)	3,721,134	(3,770,353)	78,836	1,030,413	329,609	(1,521,061)
Capital contributions	1,538,453	303,002	-	1,871,663	981,856	4,694,974	12,029
Transfers in	-	-	3,995,033	25,000	-	4,020,033	3,210,136
Transfers out	-	(1,599,131)	-	-	-	(1,599,131)	(37,667)
Change in net assets	808,032	2,425,005	224,680	1,975,499	2,012,269	7,445,485	1,663,437
Total net assets, beginning of year	9,738,640	18,073,049	190,761	8,750,501	70,302,348		21,832,293
Total net assets, end of year	\$ 10,546,672	\$ 20,498,054	\$ 415,441	\$ 10,726,000	\$ 72,314,617		\$ 23,495,730

Adjustment to reflect the consolidation of the District Services Internal Service Fund activities related to enterprise funds

123,327

Change in net assets of business-type activities (Page 19)

\$ 7,568,812

The notes to the financial statements are an integral part of this statement.

County of Placer, California

**Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2004**

	Business-type Activities - Enterprise Funds						
	Transit	Facilities	Health and Human Services	County Service Areas	Sewer Maintenance Districts	Total	Internal Service Funds
Cash Flows from Operating Activities							
Receipts from customers and users	\$ 1,524,745	\$ 7,601,461	\$ 875,848	\$ 902,209	\$ 9,087,796	\$ 19,992,059	\$ 35,188,661
Payments to suppliers	(2,659,925)	(2,765,567)	(4,389,480)	(702,580)	(6,826,250)	(17,343,802)	(18,305,965)
Payments to employees	(2,282,548)	(1,569,662)	(5,494,128)	-	-	(9,346,338)	(8,777,205)
Payments of judgements and claims	-	-	-	-	-	-	(6,896,458)
Net cash provided by (used in) operating activities	(3,417,728)	3,266,232	(9,007,760)	199,629	2,261,546	(6,698,081)	1,209,033
Cash Flows from Noncapital Financing Activities							
Advances to other funds	-	-	-	-	-	-	(93,632)
Advances from other funds	-	-	-	135,266	-	135,266	215,000
Taxes and aid from other governments	3,877,796	346,293	5,134,193	-	97,271	9,455,553	-
Transfers in	-	-	3,995,033	25,000	-	4,020,033	3,210,136
Transfers out	-	(1,599,131)	-	-	-	(1,599,131)	(37,667)
Net cash provided by (used in) noncapital financing activities	3,877,796	(1,252,838)	9,129,226	160,266	97,271	12,011,721	3,293,837
Cash Flows from Capital and Related Financing Activities							
Purchase of capital assets	(1,537,111)	(618,871)	-	(84,566)	-	(2,240,548)	(2,646,125)
Principal paid on long-term debt	-	(260,000)	-	(6,000)	(156,336)	(422,336)	-
Interest paid on long-term debt	-	(131,853)	(7,028)	(2,564)	(44,499)	(185,944)	-
Capital contributions	1,538,453	303,002	-	84,566	-	1,926,021	12,029
Net cash provided by (used in) capital and related financing activities	1,342	(707,722)	(7,028)	(8,564)	(200,835)	(922,807)	(2,634,096)
Cash Flows from Investing Activities							
Interest received	24,382	465,212	2,469	30,337	136,869	659,269	754,207
Net cash provided by investing activities	24,382	465,212	2,469	30,337	136,869	659,269	754,207
Net increase in cash and cash equivalents	485,792	1,770,884	116,907	381,668	2,294,851	5,050,102	2,622,981
Cash and cash equivalents, beginning of year	1,288,619	20,774,875	75,330	1,322,440	6,120,719	29,581,983	35,448,908
Cash and cash equivalents, end of year	<u>\$ 1,774,411</u>	<u>\$ 22,545,759</u>	<u>\$ 192,237</u>	<u>\$ 1,704,108</u>	<u>\$ 8,415,570</u>	<u>\$ 34,632,085</u>	<u>\$ 38,071,889</u>
Reconciliation of cash and cash equivalents to the statement of net assets:							
Cash and investments	\$ 1,774,411	\$ 22,150,329	\$ 192,237	\$ 1,704,108	\$ 8,415,570	\$ 34,236,655	\$ 38,071,889
Restricted cash and investments	-	395,430	-	-	-	395,430	-
Total cash and cash equivalents	<u>\$ 1,774,411</u>	<u>\$ 22,545,759</u>	<u>\$ 192,237</u>	<u>\$ 1,704,108</u>	<u>\$ 8,415,570</u>	<u>\$ 34,632,085</u>	<u>\$ 38,071,889</u>
Noncash financing and investing activities:							
Donated capital assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,787,098</u>	<u>\$ 981,856</u>	<u>\$ 2,768,954</u>	<u>\$ -</u>

Continued

The notes to the financial statements are an integral part of this statement.

County of Placer, California

**Statement of Cash Flows (Continued)
Proprietary Funds
For the Fiscal Year Ended June 30, 2004**

Business-type Activities - Enterprise Funds

Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:

	Transit	Facilities	Health and Human Services	County Service Areas	Sewer Maintenance Districts	Total	Internal Service Funds
Operating income (loss)	\$ (4,620,327)	\$ 3,041,482	\$ (8,439,812)	\$ 5,140	\$ 840,772	\$ (9,172,745)	\$ (2,167,911)
Adjustment to reconcile operating income (loss) to cash provided by (used in) operating activities:							
Depreciation expense	632,341	431,142	10,542	151,770	1,727,333	2,953,128	1,718,958
(Increase) decrease in accounts receivable	869,380	-	-	(7,872)	(21,433)	840,075	445,305
Decrease in due from other funds	-	-	-	-	-	-	7,992
Decrease in inventories	-	-	-	-	-	-	19,860
(Increase) decrease in prepaid items	-	-	5,541	-	-	5,541	(4,553)
(Decrease) in accounts payable	(46,281)	(107,846)	(458,993)	(9,229)	(280,330)	(902,679)	(274,681)
(Decrease) in due to other funds	-	(1,070)	-	-	-	(1,070)	(539,163)
Increase (decrease) in deposits from others	-	49,509	-	59,820	(4,796)	104,533	-
Increase (decrease) in deferred revenue	(211,109)	400	-	-	-	(210,709)	-
(Decrease) in landfill postclosure liability	-	(74,005)	-	-	-	(74,005)	-
Increase in self insurance liability	-	-	-	-	-	-	2,302,500
(Decrease) in compensated absences	(41,732)	(73,380)	(125,038)	-	-	(240,150)	(299,274)
Total adjustments	1,202,599	224,750	(567,948)	194,489	1,420,774	2,474,664	3,376,944
Net cash provided by (used in) operating activities:	\$ (3,417,728)	\$ 3,266,232	\$ (9,007,760)	\$ 199,629	\$ 2,261,546	\$ (6,698,081)	\$ 1,209,033

The notes to the financial statements are an integral part of this statement.

County of Placer, California

**Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2004**

	<u>Investment Trust</u>	<u>Agency Funds</u>
Assets		
Cash and investments	\$ 492,454,191	\$ 24,928,675
Receivables:		
Accounts	-	145,117
Taxes, net	-	21,404,611
Special assessments	-	4,073,429
Due from other governments	-	326,589
Total assets	<u>\$ 492,454,191</u>	<u>\$ 50,878,421</u>
 Liabilities		
Agency obligations		<u>\$ 50,878,421</u>
 Net Assets		
Held in trust for pool participants	<u>\$ 492,454,191</u>	

The notes to the financial statements are an integral part of this statement.

County of Placer, California

**Statement of Changes in Fiduciary Net Assets
Investment Trust Fund
For the Fiscal Year Ended June 30, 2004**

Additions:		
Contributions to pooled investments	\$	1,062,607,891
Interest and investment income		<u>8,939,373</u>
Total additions		<u>1,071,547,264</u>
Deductions:		
Distributions from pooled investments		<u>969,376,483</u>
Total deductions		<u>969,376,483</u>
Change in net assets		102,170,781
Net assets, beginning of year, restated		<u>390,283,410</u>
Net assets, end of year	\$	<u><u>492,454,191</u></u>

The notes to the financial statements are an integral part of this statement.

COUNTY OF PLACER, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The County of Placer (the County) is a political subdivision of the State of California. An elected, five-member Board of Supervisors (the Board) governs the County. The Board is financially accountable for the Governmental Funds, Proprietary Funds, Fiduciary Funds, and the Discretely Presented Component Unit. Such financial accountability is determined on the basis of budget adoption, taxing authority, financial benefit or burden, funding and appointing a voting majority of the governing authority, designation of management, ability of the Board to impose its will, and fiscal dependency. The basic financial statements of the County include the financial activities of the following legally separate entities:

Blended Component Units

The County Service Areas are separate legal entities created to provide services such as water, sewer, lighting, and road maintenance throughout the County.

The Sewer Maintenance Districts are separate legal entities formed to provide sewer maintenance services within the County.

The Newcastle and Penryn Lighting Districts are separate legal entities formed to provide utilities services in these districts within the County.

The Redevelopment Agency of Placer County (the Agency) is a separate legal entity formed to administer the development of certain areas within the County.

The North Lake Tahoe Public Financing Authority is a separate legal entity formed to provide for the financing and refinancing of land improvements, facilities and equipment for public purposes.

The Gold Country Settlement Funding Corporation (the Corporation) is a separate legal entity formed to provide tobacco securitization financing to the County to fund major capital improvement projects. This is effective as of July 1, 2003 (see Note 16 for further details).

These entities are included in the County's reporting entity because of their operational and financial relationship with the County. Although the above entities are legally separate from the County, they are reported as part of the primary government because their Boards consist of or are appointed by the County Board of Supervisors.

Discretely Presented Component Unit

The First 5 Placer Children and Families Commission (the Commission) was established under the provisions of the California Children and Families Act (the Act). The Commission is a public entity legally separate and apart from the County and its purpose is to develop, adopt, promote and implement early childhood development programs in the County of Placer consistent with the goals and objectives of the Act. The Commission's programs are funded by taxes levied by the State of California on tobacco products.

COUNTY OF PLACER, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Commission is administered by a governing board of seven members, which are appointed by the County Board of Supervisors. Three members are representatives of the County's health care departments, County's social services departments and Board of Supervisors. The County Board of Supervisors may remove any Commission member at any time. Since the County Board of Supervisors can impose their will on the Commission, the Commission is considered a component unit of the County.

Separate financial statements for the Redevelopment Agency of Placer County, the North Lake Tahoe Public Financing Authority, the Commission and the Corporation may be obtained by contacting the County. Separate financial statements for the other legally separate entities are not issued.

Activities of the County school districts and other special purpose districts administered by Boards separate from, or independent of, the County Board of Supervisors are not part of the defined reporting entity because they do not meet the above financial accountability criteria.

B. Government-wide and Fund Financial Statements

The statement of net assets and statement of activities display information about the primary government (the County) and its component units. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the *governmental* and *business-type activities* of the County and between the County and its discretely presented component unit. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the County and for each function of the County's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a specific segment or function. The County includes certain indirect costs as part of the program expenses reported for various functional activities. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given segment or function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular segment or function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

When both restricted and unrestricted net assets are available, unrestricted resources are used only after the restricted resources are depleted.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

COUNTY OF PLACER, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide, proprietary fund and fiduciary fund financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 365 days of the end of the current fiscal period, except for property taxes, which the County considers available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due. The governmental funds used to liquidate compensated absences are the General Fund, Public Safety Fund, Public Ways and Facilities Fund, Capital Improvements Fund, Community Services Fund, County Library Fund, Fire Control Fund and the Redevelopment Agency Housing Fund.

Property taxes, franchise taxes, licenses, grants and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when the government receives cash.

The County reports the following major governmental funds:

The **General Fund** is the County's primary operating fund. It accounts for all the financial resources and the legally authorized activities of the County, except those required to be accounted for in another fund.

The **Public Safety Special Revenue Fund** is used to account for the operations of Public Safety departments, including the Sheriff, Probation and District Attorney.

The **Public Ways and Facilities Special Revenue Fund** is used to account for the planning, design, construction, maintenance and administration of County roads.

The **Capital Improvements Fund** was established to account for resources used for countywide facility acquisition and improvement needs and is used to account for deposits from developers and mitigation fees collected by the County and incorporated Cities related to new growth and development within the County.

The **Capital Projects Securitization Fund** is used to account for financial resources resulting from the sale of the County's rights to future tobacco settlement payments. Use of these funds is restricted to the acquisition and construction of specific major capital facilities.

COUNTY OF PLACER, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

The County reports the following major enterprise funds:

The **Transit Fund** accounts for the costs of providing transit services throughout the County.

The **Facilities Fund** accounts for activities related to property management and building maintenance for County-owned and leased buildings and solid waste and landfill operations.

The **Health and Human Services Fund** accounts for a variety of health and social services programs.

The **County Service Areas Fund** is used to account for financial resources collected in specific areas of the County which provide services such as snow removal and irrigation or to pay down debt incurred for public improvements.

The **Sewer Maintenance Districts Fund** accounts for water and sewer maintenance activities in specific areas of the County.

Additionally, the County reports the following fund types:

The **Internal Service Funds** account for the financing of goods or services provided by one department or agency to other departments or agencies of the County or other governmental units on a cost reimbursement basis. Activities include the County's self-insurance programs, providing services to County-governed districts, service areas and advisory councils and equipment financing of the County.

The **Investment Trust Fund** accounts for the assets of legally separate entities that deposit cash with the County Treasurer in an investment pool, which commingles resources in an investment portfolio for the benefit of all participants. These participants include school and community college districts, other special districts governed by local boards, regional boards and authorities, and pass-through funds for tax collection for cities.

Agency Funds are custodial in nature and do not involve measurement of the results of operations. Such funds have no equity accounts since all assets are due to individuals or entities at some future time. These funds account for assets held by the County as an agent for individuals and other government units.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the County's proprietary funds are charges to customers for sales and services. Operating expenses include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

COUNTY OF PLACER, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

In accordance with GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, the County has elected to apply all applicable GASB pronouncements as well as any applicable pronouncements of the Financial Accounting Standards Board, the Accounting Principles Board or any Accounting Research Bulletins issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards which, along with subsequent GASB pronouncements (Statements and Interpretations), are accounting principles generally accepted in the United States of America.

D. Assets, Liabilities and Net Assets or Equity

Cash and Investments

The County pools cash and investments with the County Treasurer except for investments managed by paying agents under bonded debt agreements. Interest from bank accounts and investments are allocated to the various funds based on the average daily balances of the funds entitled to receive interest.

The County has stated required investments at fair value in the statement of net assets and balance sheet. The fair value of investments is based on published market prices and quotations from major investment brokers. The investments are marked to market and the net asset value is calculated for the County Treasurer's Investment Pool (the Pool) monthly.

The County Treasurer has not provided or obtained any legally binding guarantees during the year to support the value of participants' shares in the Pool.

The fair value of investments is determined monthly. The value of participants' pool shares is based on amortized cost. Specifically, the Pool distributes income to participants based on their relative participation during the period. Income is calculated based on (1) realized investments gains and losses calculated on an amortized cost basis, (2) interest income based on stated rates (both paid and accrued), (3) amortization of discounts and premiums on a straight-line basis and (4) investment and administrative expenses. This method differs from the fair value method used to value investments in these financial statements because the amortized cost method is not designed to distribute to participants all unrealized gains and losses in the fair values of the Pools' investments. At June 30, 2004, there is no material difference between pool participants' shares valued on an amortized cost basis compared to fair value.

For purposes of the Statement of Cash Flows – Proprietary Funds, the County considers all short-term highly liquid investments, including restricted cash and investments, to be cash and cash equivalents. Amounts held in the County's investment pool are available on demand; thus, they are considered highly liquid and cash equivalents for purposes of the Statement of Cash Flows – Proprietary Funds.

COUNTY OF PLACER, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities and Net Assets or Equity (Continued)

Interfund Receivables and Payables

Interfund transactions are reflected as either loans, services provided, reimbursements or transfers. Loans are reported as receivables and payables as appropriate, are subject to elimination upon consolidation and are referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the noncurrent portion of interfund loans) in the balance sheet of governmental funds and statement of net assets for proprietary funds. Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as “internal balances”. Advances between funds, as reported in the government funds balance sheet, are offset by a fund balance reserve account to indicate that they are not available for appropriation and are not available financial resources.

Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation of the government-wide presentation.

Inventories and Prepaid Items

Inventories are valued at cost, which is determined on a first-in first-out basis, and consist primarily of expendable supplies held for consumption. The cost is recorded as an expenditure when the items are used. In the governmental funds balance sheet, there is a reservation of fund balance equal to the inventory balance as these amounts are not available for appropriation.

Payments made for services that will benefit future accounting periods are recorded as prepaid items. In the governmental fund types, there is a reservation of fund balance equal to the amount of prepaid items, since these amounts are not available for appropriation.

Restricted Cash and Investments

Restricted cash and investments consist of \$395,430 in the Facilities Enterprise Fund. The investments are restricted for the payment of closure and postclosure care costs associated with the Eastern Regional Landfill. See Note 13 to the basic financial statements for additional landfill disclosures.

COUNTY OF PLACER, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities and Net Assets or Equity (Continued)

Capital Assets

Capital assets, which include property (e.g. land), plant (e.g. buildings and improvements), equipment (e.g. vehicles, computers, office equipment and software) and infrastructure (e.g. roads, bridges, sewers, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are recorded at cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at the estimated fair market value at the date of donation.

Capitalization thresholds are \$5,000 for equipment and \$50,000 for buildings, improvements and infrastructure.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Infrastructure	10 to 65 years
Buildings and improvements	10 to 50 years
Equipment	2 to 25 years

Compensated Absences

The County reports a liability for compensated absences attributable to services already rendered as of June 30, 2004 and that are not contingent on a specific event that is outside the control of the County, such as employee illness. This liability is based on the probability that the County will eventually compensate the employees for the benefits through paid time off or some other means, such as annual leave cash-outs or cash payments at termination or retirement. The liability is calculated based on pay rates in effect at June 30, 2004, in addition to those salary-related payments that are directly and incrementally associated with payments made for compensated absences on termination, Social Security and Medicare taxes.

All regular employees of the County earn paid vacations annually. The amount of vacation hours is based on the years of continuous service and the bargaining unit to which the employee belongs. Except for management employees, no more than 400 hours, or 520 hours after 10 continuous years of service, may be accumulated as of the last day of the first full pay period of each calendar year. Management employees can accumulate up to 520 hours. Also, regular employees are given credit for eight hours sick leave each month of employment with unlimited accumulation. Upon termination, employees are entitled to a lump sum payment for accrued vacation and compensatory time off and additional retirement credits from CalPERS for a portion of sick leave based on a formula. All compensated absence pay is accrued when incurred in the government-wide and proprietary fund financial statements.

COUNTY OF PLACER, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities and Net Assets or Equity (Continued)

Long-term Debt

In the government-wide and proprietary funds financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental or proprietary funds statement of net assets. In the fund financial statements, governmental funds bond and capital lease proceeds are reported as other financing sources. Interest is reported as an expenditure in the period in which the related payment is made.

Net Assets/Fund Balances

The government-wide and proprietary fund financial statements utilize a net assets presentation. Net assets are categorized as invested in capital assets - net of related debt, restricted and unrestricted.

- ❑ *Invested in capital assets, net of related debt* – This category groups all capital assets, including infrastructure, into one component of net assets. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the net asset balance.
- ❑ *Restricted* – This category represents external restrictions imposed by creditors, grantors, contributors, or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.
- ❑ *Unrestricted* – This category represents net assets of the County, not restricted for any project or other purpose.

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted for a specific purpose.

As of June 30, 2004, reservations of fund balance are described below:

- ❑ *Encumbrances* – to reflect the outstanding contractual obligations for which goods and services have not been received.
- ❑ *Notes receivable* – to reflect a segregation of a portion of fund balance to indicate that assets equal to long-term redevelopment agency housing loans are not available for appropriation.
- ❑ *Inventories* – to reflect that balances of inventory accounts which reflect resources already expended, but not consumed, and are not available for appropriation.

**COUNTY OF PLACER, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities and Net Assets or Equity (Continued)

- ❑ *Prepaid items* – to reflect that balances of prepaid items that benefit future periods and are not available for appropriation.
- ❑ *Deposits with others* – to reflect the amounts of deposits with others that are long-term in nature and do not represent available spendable resources.
- ❑ *Advances* – to reflect the amounts due from other funds that are long-term in nature and do not represent available spendable resources.
- ❑ *Imprest cash* – to reflect cash on hand maintained by various departments and do not represent available spendable resources.
- ❑ *General* – to reflect County policy in establishing a minimum percentage of budgeted expenditures to expend certain resources for unforeseen future events, including shortfalls arising from economic uncertainties.
- ❑ *Debt service* – to reflect the funds held by trustees or fiscal agents for the future payment of principal and interest on the certificates of participation. These funds are not available for general operations.

Property Taxes

The County's property taxes are levied July 1 (Unsecured Roll) and October 1 (Secured Roll) on assessed value established on the lien date of the previous January 1 for all taxable property located within the County. Local assessed values are determined, subject to appeal before the Assessment Appeals Board, by the County Assessor's Office. Locally assessed real property is appraised at the 1975-76 base year value and is adjusted each year after 1975 by the change in the California Consumer Price Index (CCPI) not to exceed an increase of 2% per year.

Property is reappraised from the 1975-76 base year value to current full value upon either (1) a change in ownership or (2) new construction, as of the date of such transaction or completion of construction (only the newly constructed portion of the property is reappraised). Thereafter, it continues to be increased annually by the change in the CCPI not to exceed 2%. The net asset value for the 2003-2004 fiscal year is \$35,369,410,789.

The County is permitted by Division 1, Part 0.5, Chapter 5.5, of the California Revenue and Taxation Code, to levy taxes up to \$1.00 per \$100 of assessed valuation for general governmental services other than payment of principal and interest on general obligation bonds or other indebtedness approved by voters. Taxes are allocated to local agencies and school districts as outlined in Chapter 6 of the California Revenue and Taxation Code. Counties, cities, and school districts may levy such additional tax rate as is necessary to provide for voter-approved debt service.

COUNTY OF PLACER, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities and Net Assets or Equity (Continued)

Taxes are due in one installment (Unsecured Roll) on billing and are subject to late payment penalties if paid after August 31, or two installments (Secured Roll) due November 1 and March 1, and again subject to late payment penalties if paid after December 10 and April 10, respectively. Additionally, supplemental property taxes are levied on a pro rata basis when changes in assessed valuation occur due to sales transactions or the completion of construction.

In fiscal year 1993-94, the County adopted the Alternate Method of Property Tax Allocation (commonly referred to as the Teeter Plan). Under the Teeter Plan, the County Auditor-Controller, an elected official, is authorized to pay 100% of the property taxes billed (secured, supplemental, and debt service) to the taxing agencies within the County. The County recognizes property tax revenues in the period for which the taxes are levied. Previously, such taxes were allocated and paid as the taxes were collected. Property taxes are accrued as receivables in the period when they are levied. Property tax revenues are recognized when they become available.

The term "unsecured" refers to taxes on personal property other than real estate, land and buildings. Taxes on real estate, land and buildings are secured by liens on property being taxed.

Use of Estimates

The preparation of the basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 2 – CASH AND INVESTMENTS

The Treasurer's Investment Pool is available for use by all funds. The County also has cash and investments held by fiscal agents pledged to the payment of security of certain long-term obligations. Cash and investments at June 30, 2004 are comprised of the following:

Cash on hand	\$ 1,224,220
Imprest cash	12,418
Deposits	25,624,588
Investments	<u>862,564,924</u>
Total	889,426,150
Less warrants payable	<u>(23,932,201)</u>
	865,493,949
Cash with fiscal agent	7,668,150
Restricted cash and investments	<u>395,430</u>
Total cash and investments	<u>\$ 873,557,529</u>

COUNTY OF PLACER, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

NOTE 2 – CASH AND INVESTMENTS (Continued)

Total County cash and investments are reported as follows:

Primary government	\$348,847,837
Component unit	7,326,826
Investment trust fund	492,454,191
Agency funds	<u>24,928,675</u>
 Total cash and investments	 <u>\$873,557,529</u>

Deposits

The California Government Code requires California banks and savings and loan associations to secure a local government agency's deposits by pledging government securities as collateral. The market value of pledged securities must equal at least 110% of an agency's deposits. California law allows financial institutions to secure an agency's deposits by pledging first trust deed mortgage notes having a value of 150% of an agency's total deposits. California law allows an agency to waive the \$100,000 federal deposit insurance available on deposits.

At June 30, 2004, the carrying amount of the County's cash deposits (including amounts in checking and nonnegotiable certificates of deposit) was \$25,624,588 and the bank balance was \$25,679,063. Of the bank balance, \$631,348 was covered by federal depository insurance and \$25,047,715 was collateralized by the financial institutions pursuant to the above requirements.

Investments

Statutes authorize the County to invest in obligations of the U.S. Treasury, agencies and instrumentalities, bonds issued by the County, commercial paper of "prime" quality of the highest ranking or of the highest letter and numerical rating as provided for by Moody's Investor Services, Inc. or Standard and Poor's Corporation, bankers' acceptances, corporate notes, negotiable certificates of deposit of nationally or state-chartered banks or savings and loan associations, repurchase and reverse repurchase agreements.

The County's investments are categorized to give an indication of the level of custodial credit risk assumed by the County as of June 30, 2004. All of the County's investments are categorized as Category 1, which is defined by the GASB Statement No. 3 as investments that are insured or registered for which the securities are held by the County or its agent in the County's name.

COUNTY OF PLACER, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

NOTE 2 – CASH AND INVESTMENTS (Continued)

	<u>Interest Rates</u>	<u>Maturity Range</u>	<u>Fair Value</u>
Category 1:			
U.S. government securities	3.00%	8/31/05 – 9/15/08	\$ 45,053,621
U.S. government agencies	1.17 – 6.25%	7/15/04 – 7/13/07	578,550,172
Commercial paper	1.14 – 1.45%	7/1/04 – 10/12/04	59,979,842
Corporate notes	2.39 – 8.00%	11/30/04 – 10/15/06	<u>178,981,289</u>
Total Category 1 investments in County Pool			862,564,924
Category 1 investments with fiscal agents:			
U.S. government securities			1,600,960
U.S. government agencies			1,075,230
Corporate note			3,149,153
U.S. Treasury notes			1,842,807
Category 1 restricted investments:			
U.S. government securities			<u>395,430</u>
Total categorized investments			<u>\$ 870,628,504</u>

The County did not invest in reverse repurchase agreements during the fiscal year ended June 30, 2004.

Investment Pool

The County is subject to regulatory oversight by the Treasury Oversight Committee (the Committee), established in December 1995, as required by California Government Code Section 27143. The Committee consists of a representative from the County Board of Supervisors, the County Superintendent of Schools, a representative of the special districts who are required or authorized to deposit money in the County Treasury, a school board representative selected from the school districts and the community college districts within the County and a non-partisan public-at-large member. The Pool is not registered with the Securities and Exchange Commission.

Certain special districts and all public school districts are required by legal provisions to deposit their funds with the County Treasurer. The Pool consists almost entirely of such districts and includes 97 percent involuntary participants at June 30, 2004.

COUNTY OF PLACER, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

NOTE 2 – CASH AND INVESTMENTS (Continued)

Condensed Financial Information

The Pool does not issue separate financial statements. Condensed financial information for the Pool as of and for the fiscal year ended June 30, 2004 is as follows:

Statement of net assets:

Net assets held for Pool participants	\$ 868,691,375
Equity of internal Pool participants	\$ 376,237,184
Equity of external Pool participants	492,454,191
Total equity	\$ 868,691,375

Statement of changes in net assets:

Net assets at July 1, 2003	\$ 746,712,647
Net change in net assets for Pool participants	121,978,728
Net assets at June 30, 2004	\$ 868,691,375

COUNTY OF PLACER, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

NOTE 3 – RECEIVABLES

Receivables at year-end of the County's major individual funds and nonmajor and internal service funds, in the aggregate, including the applicable allowances for uncollectible accounts are as follows:

Receivables- Governmental Activities:	Accounts	Notes	Due From	Total
			Other Governments	
General Fund	\$ 2,059,576	\$ -	\$ 30,581,743	\$ 32,641,319
Public Safety Fund	746,329	-	6,078,130	6,824,459
Public Ways and Facilities Fund	23,760	-	2,382,014	2,405,774
Other Nonmajor Funds	1,837,093	4,178,737	795,949	6,811,779
Internal Service Funds	38,211	-	-	38,211
Net receivables	<u>\$ 4,704,969</u>	<u>\$ 4,178,737</u>	<u>\$ 39,837,836</u>	<u>\$ 48,721,542</u>

Receivables- Business-Type Activities:	Accounts	Due From	Total
		Other Governments	
Transit Fund	\$ 292,296	\$ 93,958	\$ 386,254
Health and Human Services Fund	-	534,373	534,373
County Service Areas Fund	77,896	45,922	123,818
Sewer Maintenance Districts Fund	73,088	-	73,088
Internal Service Funds	22,543	-	22,543
Net receivables	<u>\$ 465,823</u>	<u>\$ 674,253</u>	<u>\$ 1,140,076</u>

The notes receivable balance represents redevelopment agency housing loans that are not expected to be collected in one year.

COUNTY OF PLACER, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

NOTE 4 – CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2004 for the governmental activities and business-type activities are as follows:

	Balance July 1, 2003	Increases	Decreases	Balance June 30, 2004
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 15,380,068	\$ 9,885,468	\$ (7,591)	\$ 25,257,945
Construction in progress	42,972,395	12,882,229	(22,740,581)	33,114,043
Total capital assets not being depreciated	58,352,463	22,767,697	(22,748,172)	58,371,988
Capital assets, being depreciated:				
Structures and improvements	83,487,604	2,074,826	(909,784)	84,652,646
Equipment	41,500,634	5,428,628	(5,159,613)	41,769,649
Infrastructure	196,614,151	6,838,509	(2,800,784)	200,651,876
Total capital assets, being depreciated	321,602,389	14,341,963	(8,870,181)	327,074,171
Less accumulated depreciation for:				
Structures and improvements	(17,427,101)	(1,709,602)	18	(19,136,685)
Equipment	(22,933,408)	(3,104,176)	4,264,798	(21,772,786)
Infrastructure	(141,151,558)	(7,818,426)	2,709,597	(146,260,387)
Total accumulated depreciation	(181,512,067)	(12,632,204)	6,974,413	(187,169,858)
Total capital assets, being depreciated net	140,090,322	1,709,759	(1,895,768)	139,904,313
Governmental activities, net	198,442,785	24,477,456	(24,643,940)	198,276,301

COUNTY OF PLACER, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

NOTE 4 – CAPITAL ASSETS (continued)

	Balance July 1, 2003	Increases	Decreases	Balance June 30, 2004
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 1,398,148	\$ -	\$ -	\$ 1,398,148
Construction in progress	1,208,965	1,726,485	(73,613)	2,861,837
Total capital assets not being depreciated	<u>2,607,113</u>	<u>1,726,485</u>	<u>(73,613)</u>	<u>4,259,985</u>
Capital assets, being depreciated:				
Structures and improvements	43,911,399	345,294	-	44,256,693
Equipment	9,454,850	368,329	(362,319)	9,460,860
Infrastructure	81,462,279	2,853,519	-	84,315,798
Total capital assets, being depreciated	<u>134,828,528</u>	<u>3,567,142</u>	<u>(362,319)</u>	<u>138,033,351</u>
Less accumulated depreciation for:				
Structures and improvements	(24,189,619)	(1,110,646)	-	(25,300,265)
Equipment	(4,466,373)	(708,609)	353,092	(4,821,890)
Infrastructure	(21,521,494)	(1,253,266)	-	(22,774,760)
Total accumulated depreciation	<u>(50,177,486)</u>	<u>(3,072,521)</u>	<u>353,092</u>	<u>(52,896,915)</u>
Total capital assets, being depreciated, net	<u>84,651,042</u>	<u>494,621</u>	<u>(9,227)</u>	<u>85,136,436</u>
Business-type activities, net	<u>87,258,155</u>	<u>2,221,106</u>	<u>(82,840)</u>	<u>89,396,421</u>
 Total	 <u><u>\$ 285,700,940</u></u>	 <u><u>\$ 26,698,562</u></u>	 <u><u>\$ (24,726,780)</u></u>	 <u><u>\$ 287,672,722</u></u>

COUNTY OF PLACER, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

NOTE 4 – CAPITAL ASSETS (Continued)

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:

General government	\$ 986,103
Public protection	1,448,600
Health and sanitation	87,684
Public ways and facilities	8,303,140
Recreation and cultural	71,950
Education	135,162
Capital assets held by the County Services and Internal Service Funds are charged to various functions based on usage of the assets	1,599,565
Total depreciation expense - governmental activities	\$ 12,632,204

Business-type activities:

Public transit	\$ 632,341
Facilities	430,820
Community health clinics	10,542
Waste disposal	1,879,425
Capital assets held by the District Services Internal Service Fund is charged to various functions based on usage of the assets	119,393
Total depreciation expense - business-type activities	\$ 3,072,521

COUNTY OF PLACER, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

NOTE 5 – INTERFUND TRANSACTIONS

Interfund Receivables/Payables

Interfund receivables and payables result from the time lag between the dates that 1) interfund goods and services are provided or reimbursable expenditures occur, 2) transactions are recorded in the accounting system or 3) payments between funds are made. The following schedule briefly summarizes the amounts due to/from other funds at June 30, 2004:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Internal Service Fund	\$ 1,406,731
Transit	General Fund	39,766
Nonmajor Governmental Funds	Nonmajor Governmental Funds	448,273
Total		<u>\$ 1,894,770</u>

Advances to/from other funds represent long-term loans made to support the County's housing and redevelopment, county service area and special district activities. The following schedule briefly summarizes the amounts advanced to/from other funds at June 30, 2004:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Nonmajor Governmental Funds	\$ 1,194,331
	Internal Service Funds	585,493
		<u>1,779,824</u>
Nonmajor Governmental Funds	Nonmajor Governmental Funds	807,237
Sewer Maintenance Districts	County Service Areas	62,659
Internal Service Funds	Internal Service Funds	501,704
	County Service Areas	383,205
		<u>884,909</u>
Total		<u>\$ 3,534,629</u>

COUNTY OF PLACER, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

NOTE 5 – INTERFUND TRANSACTIONS (Continued)

Transfers are indicative of funding for capital projects, re-allocations of special revenues and subsidies of various County operations. The following schedule briefly summarizes the County's transfer activity for the fiscal year ended June 30, 2004:

Transfer From	Transfer To	Amount
General Fund	Public Safety	\$ 38,184,315
	Public Ways and Facilities	5,859,896
	Capital Improvements	4,471,643
	Health and Human Services	3,995,033
	County Service Areas	25,000
	Nonmajor Governmental Funds	2,530,367
	Internal Service Funds	3,210,136
		<u>58,276,390</u>
Public Ways and Facilities	General Fund	744,897
	Capital Improvements	544,500
	Nonmajor Governmental Funds	1,057,809
		<u>2,347,206</u>
Capital Improvements	Nonmajor Governmental Funds	<u>440,836</u>
Nonmajor Governmental Funds	General Fund	195,506
	Nonmajor Governmental Funds	1,411,888
		<u>1,607,394</u>
Facilities	Capital Improvements	1,263,019
	Nonmajor Governmental Funds	336,112
		<u>1,599,131</u>
Internal Service Funds	General Fund	<u>37,667</u>
Total transfers		<u>\$ 64,308,624</u>

COUNTY OF PLACER, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

NOTE 6 – PAYABLES

Payables at year-end of the County's major individual funds, nonmajor and internal service funds, in the aggregate, are as follows:

Payables- Governmental Activities:	Accounts Payable and Accrued Liabilities	Due to Other Governments	Deposits From Others	Total
General Fund	\$ 7,290,950	\$ 1,684,822	\$ 243,167	\$ 9,218,939
Public Safety Fund	3,256,056	-	112,386	3,368,442
Public Ways and Facilities Fund	1,093,597	-	-	1,093,597
Capital Improvement fund	686,503	-	-	686,503
Capital Projects				
Securitization Fund	39,178	-	-	39,178
Other Governmental Funds	377,118	-	33,481	410,599
Internal Service Funds	1,184,581	-	5,409	1,189,990
Net payables	<u>\$ 13,927,983</u>	<u>\$ 1,684,822</u>	<u>\$ 394,443</u>	<u>\$ 16,007,248</u>

Payables- Business-type Activities:	Accounts Payable and Accrued Liabilities	Due to Other Governments	Deposits From Others	Total
Transit Fund	\$ 107,172	10,000	-	\$ 117,172
Facilities Fund	181,908	1,070	139,249	322,227
Health and Human Service Fund	605,330	-	-	605,330
County Service Areas Fund	31,201	-	-	31,201
Sewer Maintenance				
District Fund	463,254	-	47,866	511,120
Internal Service Fund	197,819	-	7,000	204,819
Net payables	<u>\$ 1,586,684</u>	<u>\$ 11,070</u>	<u>\$ 194,115</u>	<u>\$ 1,791,869</u>

COUNTY OF PLACER, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

NOTE 7 – LONG-TERM DEBT

Governmental Activities

A summary of certificates of participation outstanding for governmental activities at fiscal year-end is as follows:

<u>Purpose/Installments</u>	<u>Interest Rate %</u>	<u>Date of Issue</u>	<u>Maturity</u>	<u>Amount of Original Issue</u>	<u>Outstanding as of June 30, 2004</u>
Construction of the Administration and Emergency Services Building, installments ranging from \$370,000 to \$1,025,000	3.90-5.70	3/06/97	06/01/24	\$ 15,000,000	\$12,995,000
Construction of Juvenile Detention Facility, installments ranging from \$345,000 to \$815,000	3.90-5.00	6/19/98	07/01/25	<u>13,200,000</u>	<u>11,810,000</u>
Total				<u>\$ 28,200,000</u>	<u>\$ 24,805,000</u>

The following is a schedule of total debt service requirements to maturity as of June 30, 2004 for certificates of participation:

<u>Year Ending June 30,</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2005	\$ 745,000	\$ 1,262,385
2006	775,000	1,228,375
2007	815,000	1,192,210
2008	855,000	1,153,380
2009	900,000	1,111,913
2010-2014	5,180,000	4,851,739
2015-2019	6,635,000	3,379,953
2020-2024	8,360,000	1,439,520
2025	540,000	53,375
Total	<u>\$ 24,805,000</u>	<u>\$ 15,672,850</u>

COUNTY OF PLACER, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

NOTE 7 – LONG-TERM DEBT (Continued)

During the year ending June 30, 2004, the Redevelopment Agency of Placer County (the Agency) entered into a loan agreement with the California Housing Finance Agency (CHFA) in the amount of \$1,500,000. The loan has an interest rate of 3% per annum and matures on October 2, 2012. No repayment is due until the maturity date. Year-to-date draws by the Agency in the amount of \$596,667 consist of loans to Affordable Housing Development Corporation (AHDC) for predevelopment costs on three multifamily projects: the Cedar Grove Project (\$243,321), in the North Tahoe Project Area, additional advance of \$150,000 to the Silverbend Project in the North Auburn Project Area, and the Cimmeron Ridge Project (\$203,346), also in the North Auburn Project Area. These projects will potentially contribute up to 300+ units of affordable rental housing in Placer County.

During the year ending June 30, 2004, transactions relating to the Gold Country Settlement Funding Corporation (the Corporation) have been included in the basic financial statements as a blended component unit of the County. The Corporation borrowed from the California County Tobacco Securitization Agency (the Securitization Agency) the proceeds of Series 2002 Tobacco Settlement Asset-Backed Bonds issued by the Securitization Agency for \$41,590,000. Loan payments will be funded by future tobacco settlement revenues. The Securitization Agency bonds mature in 2038 and the interest rates range from 5.75% to 6.00%.

However, in the event of a decline in the tobacco settlement revenues for any reason, including the default or bankruptcy of a participating cigarette manufacturer, resulting in a decline in the tobacco settlement revenues and possible default on the Tobacco Securitization debt, neither the Securitization Agency, the County nor the Corporation has any liability to make up any such shortfall.

The following is a schedule of total debt service requirements to maturity as of June 30, 2004 for the Corporation loan payable. Debt service requirements are based on various assumptions, including the timing of tobacco settlement revenues. The loan is subject to mandatory redemption prior to stated maturity dates based on amounts available in the Turbo Redemption Account on June 1 and December 1.

Year Ending June 30,	Governmental Activities	
	Principal	Interest
2005	\$ 690,000	\$ 2,377,313
2006	595,000	2,346,766
2007	670,000	2,312,410
2008	955,000	2,270,866
2009	1,055,000	2,218,613
2010-2014	8,605,000	9,959,020
2015-2019	14,745,000	6,755,172
2020-2023	13,170,000	1,709,925
Total	<u>\$ 40,485,000</u>	<u>\$ 29,950,085</u>

COUNTY OF PLACER, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

NOTE 7 – LONG-TERM DEBT (Continued)

A summary of changes in long-term debt in governmental activities is as follows:

	Balance July 1, 2003	Additions	Retirements	Balance July 1, 2004	Due Within One Year
Compensated absences	\$ 16,067,850	\$ -	\$ (5,732,515)	\$ 10,335,335	\$ 2,677,645
Self insurance liability	20,455,800	9,198,958	(6,896,458)	22,758,300	-
Capital lease obligations	2,080,855	444,996	(733,815)	1,792,036	599,232
Securitization loan	41,000,000	-	(515,000)	40,485,000	690,000
CHFA loan	-	596,667	-	596,667	-
Certificates of participation	25,520,000	-	(715,000)	24,805,000	745,000
Totals	<u>\$ 105,124,505</u>	<u>\$ 10,240,621</u>	<u>\$ (14,592,788)</u>	<u>\$ 100,772,338</u>	<u>\$ 4,711,877</u>

Prior Year Defeasance

On June 1, 1998, the County issued \$13,200,000 in Certificates of Participation with an average interest rate of 4.7% to finance the cost of constructing a juvenile detention facility and to advance refund \$4,430,000 of outstanding 1994 Certificates of Participation with an average interest rate of 6.6%. Proceeds from the Certificates were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 1994 Certificates of Participation. As a result, the 1994 Certificates of Participation are considered to be defeased and the liability for those certificates is not recorded in the governmental activities column in the statement of net assets. As of June 30, 2004, \$3,860,000 of the 1994 Certificates are outstanding.

COUNTY OF PLACER, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

NOTE 7 – LONG-TERM DEBT (Continued)

Business-Type Activities

A summary of bonds outstanding for business-type activities as of June 30, 2004 is as follows:

<u>Purpose/Installments</u>	<u>Interest Rate %</u>	<u>Date of Issue</u>	<u>Maturity</u>	<u>Amount of Original Issue</u>	<u>Outstanding as of June 30, 2004</u>
Construction of Sewer Collection and Treatment Plant, installments ranging from \$6,000 to \$8,000	5.00	12/1/69	1/1/09	\$ 122,000	\$ 35,000
Finance closure and post closure costs at Eastern Regional Landfill, installments ranging from \$260,000 to \$375,000	3.70-5.00	7/1/97	1/1/12	<u>4,170,000</u>	<u>2,555,000</u>
Total				<u>\$ 4,292,000</u>	<u>\$ 2,590,000</u>

The following is a schedule of total debt service requirements to maturity as of June 30, 2004 for outstanding bonds:

<u>Year Ending June 30,</u>	<u>Business-type Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2005	\$ 276,000	\$ 123,355
2006	291,000	111,175
2007	302,000	98,050
2008	318,000	84,130
2009	333,000	69,160
2010-2012	<u>1,070,000</u>	<u>108,410</u>
Total	<u>\$ 2,590,000</u>	<u>\$ 594,280</u>

COUNTY OF PLACER, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

NOTE 7 – LONG-TERM DEBT (Continued)

A summary of changes in long-term debt in business-type activities is as follows:

	Balance July 1, 2003	Additions	Retirements	Balance July 1, 2004	Due Within One Year
1976 sewer and water bonds payable	\$ 41,000	\$ -	\$ (6,000)	\$ 35,000	\$ 6,000
1997 revenue bonds payable	2,815,000	-	(260,000)	2,555,000	270,000
Capital lease obligations	790,840	-	(156,335)	634,505	166,824
Landfill postclosure liability	5,018,448	-	(74,004)	4,944,444	63,616
Compensated absences	1,107,623	-	(367,990)	739,633	209,824
Totals	<u>\$ 9,772,911</u>	<u>\$ -</u>	<u>\$ (864,329)</u>	<u>\$ 8,908,582</u>	<u>\$ 716,264</u>

Special Assessment Debt

The total matured and unmatured bonds outstanding related to special assessment debt is \$23,151,790 at June 30, 2004. The County acts as an agent for the property owners in collecting special assessments, forwarding the collections to bondholders and initiating foreclosure proceedings, when appropriate. The County is not liable for repayment of the special assessment debt, and accordingly, they are not reflected in the accompanying basic financial statements. Cash held on deposit and corresponding amounts payable are reported in an Agency Fund.

Arbitrage

The Tax Reform Act of 1986 instituted certain arbitrage restrictions with respect to the issuance of tax-exempt bonds after August 31, 1986. Arbitrage regulations deal with the investment of all tax-exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebates are not reported and paid to the Internal Revenue Service at least every five years. During the current fiscal year, the County performed calculations of excess investment earnings on various bonds and financings and, at June 30, 2004, does not expect to incur a liability.

COUNTY OF PLACER, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

NOTE 8 – LEASE OBLIGATIONS

Capital Leases

The County uses administrative buildings, fire trucks, and construction equipment acquired under non-cancelable lease agreements classified as capital leases. The related assets and obligations have been recorded using the County's incremental borrowing rate at the inception of leases. The leases expire at various dates through 2009-2010.

Capital assets and accumulated depreciation held under capital leases are as follows:

	Governmental Activities	Business-type Activities	Total
Equipment	\$ 3,303,107	\$ -	\$ 3,303,107
Buildings and improvements	-	1,331,410	1,331,410
Total	3,303,107	1,331,410	4,634,517
Less accumulated depreciation	(453,129)	(166,426)	(619,555)
Net capital assets	<u>\$ 2,849,978</u>	<u>\$ 1,164,984</u>	<u>\$ 4,014,962</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2004 were as follows:

Year ending June 30,	Governmental Activities	Business-type Activities
2005	\$ 573,713	\$ 205,993
2006	370,944	205,993
2007	355,542	205,993
2008	295,475	102,997
2009	295,475	-
2010	16,715	-
Total minimum lease payments	1,907,864	720,976
Less amount representing interest	(115,828)	(86,471)
Total	<u>\$ 1,792,036</u>	<u>\$ 634,505</u>

COUNTY OF PLACER, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

NOTE 8 – LEASE OBLIGATIONS (Continued)

Operating Leases

The County leases real estate and equipment under cancelable and noncancelable operating leases. Future minimum rental payments under operating leases with initial or remaining noncancelable lease terms in excess of one year as of June 30, 2004 are summarized as follows:

Year Ending June 30,		
2005	\$	3,048,415
2006		2,947,391
2007		2,939,979
2008		2,863,951
2009		2,584,481
2010-2014		5,492,358
2015-2017		212,609
	\$	20,089,184

Rents for all such leases have been recorded in the General Fund. Total rental expenditures under operating leases for the fiscal year ended June 30, 2004 were \$3,143,287.

NOTE 9 – EMPLOYEES' RETIREMENT PLAN

Plan Description

All full and part-time permanent County employees and certain extra help employees who have worked over 1,000 hours in a fiscal year are eligible to participate in the California Public Employees Retirement System (CalPERS). Elected officials may also participate at their option. Per diem employees and extra help employees working less than 1,000 hours in a fiscal year are excluded. Benefits vest after five years of service. To be eligible for retirement an employee must be at least 50 years of age and have five years of CalPERS credited service. Safety employees who retire at age 50 with five years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 3% of their average monthly pay rate for the last consecutive 12 months of employment, for each year of credited service up to a maximum of 30 years or 90%. Miscellaneous employees are entitled to the same maximum benefits at age 55 for each year of credited service up to 37 1/2 years. CalPERS also provides death and disability benefits. These benefit provisions and all other requirements are prescribed within a contract between the County and CalPERS.

The County contributes to CalPERS, an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for participating entities within the State of California. The benefits for the public agencies are established by contract with CalPERS in accordance with the provisions of the Public Employees Retirement Law. CalPERS issues a publicly available Comprehensive Annual Financial Report that includes financial statements and required supplementary information. A copy of that report may be obtained by writing to CalPERS, Central Supply, P.O. Box 942715, Sacramento, California 94229-2715.

COUNTY OF PLACER, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

NOTE 9 – EMPLOYEES’ RETIREMENT PLAN (Continued)

Funding Policy

Employees under the Miscellaneous Plan are required to contribute 7% and employees under the Safety Plan are required to contribute 9% of covered salary to CalPERS. The County is required to contribute the remaining amounts necessary to fund the benefits for its members, using the actuarial basis recommended by CalPERS actuaries and actuarial consultants and adopted by the CalPERS Board of Administration. For the fiscal year ended June 30, 2004, the employer contribution rate was 3.33% for the Miscellaneous Plan and 19.841% for the Safety Plan. The County, as part of its compensation to employees, pays a portion of its employees' contributions in addition to its own.

Annual Pension Cost

For the fiscal year ended June 30, 2004, the County's annual pension cost of \$16,328,116 for CalPERS was equal to the County's required and actual contributions. The required contribution was determined as part of the June 30, 2001 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included the following for both the Miscellaneous and Safety Plan, (a) a rate of return on investments (net of administrative expenses) of 8.25%, (b) inflation of 3.5%, and (c) projected salary increases of 3.75% to 14.20% for the Miscellaneous Plan and 4.27% to 11.59% for the Safety Plan, with a merit scale varying by duration of employment coupled with an assumed annual inflation component of 3.5% and an annual production growth of .25%. The actuarial value of the County's assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a three-year period. The difference between the Actuarial Value of Assets and the Actuarial Accrued Liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period for the Miscellaneous Plan and the Safety Plan at June 30, 2000 was 18 years and 16 years respectively.

Three-Year Trend Information

Fiscal Year-End	Miscellaneous Plan		Safety Plan	
	Annual Pension Cost (APC)	Percentage of APC Contributed	Annual Pension Cost (APC)	Percentage Of APC Contributed
2002	\$7,959,979	100%	\$1,430,944	100%
2003	8,739,872	100%	3,315,095	100%
2004	10,246,314	100%	5,981,802	100%

COUNTY OF PLACER, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

NOTE 10 - OTHER POSTRETIREMENT BENEFITS

In addition to the pension benefits described in Note 9, the County provides postretirement healthcare benefits under two plans. In accordance with the Government Code, all employees electing a PERS retirement date within 120 days of retiring from the County are eligible to receive healthcare benefits. As of June 30, 2004, there were 716 retirees receiving healthcare benefits. The County reimburses approximately 81% of the monthly healthcare premiums. In accordance with County employment policies, retired employees may elect to apply each eight hours of accrued sick leave toward one month's healthcare coverage. Currently 160 employees have made this election. The County reimburses 100% of the monthly healthcare premiums. Expenditures for postretirement healthcare benefits relating to both of these plans are recognized as monthly premiums are paid and are financed on a pay-as-you-go basis. During the fiscal year, expenditures of \$3,745,825 were recognized for postretirement healthcare benefits.

NOTE 11 - CONTINGENT LIABILITIES

The County is a defendant in a number of lawsuits and has other claims pending, some of which seek substantial money damages. Some claims may not be covered under the County's excess liability insurance policy; however, management is of the opinion that the potential liability would not have a significant adverse effect on the County's financial position.

The County participates in a number of federally assisted grant programs. These programs are subject to financial and compliance audits by grantors or their representatives. Some audits of these programs for or including the fiscal year ended June 30, 2004 have not been concluded. Accordingly, the County's compliance with applicable grant requirements is yet to be established. The amount, if any, of expenditures which may be disallowed by the grantor agencies cannot be determined at this time, although the County's management does not expect such amounts, if any, to be material.

NOTE 12 – RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to and illnesses of employees; and natural disasters. The County maintains an Internal Service Fund to account for and finance its risks of loss. Under these programs, the County is self-insured for the following risks up to the maximum amount per claim as follows: Workers' Compensation, \$125,000; General Liability, \$500,000; Dental and Vision Care, \$1,500. Except for general liability, the County purchases commercial insurance for claims in excess of the preceding coverage amounts and for all other risks of loss.

For general liability claims, the County is a participant in the California State Association of Counties - Excess Insurance Authority (CSAC) excess liability insurance program. The County covers the first \$1,000,000 of claims. The purpose of the pool is to spread the adverse effects of losses among the member agencies. The County pays an annual basic premium for excess coverage and is assessed an annual risk premium based on an actuarial review that estimates each of the program's participant's ultimate liabilities. Should actual losses among participants be greater than anticipated, the County will be assessed its pro rata share of that deficiency. Conversely, if the actual losses are less than anticipated, the County will be refunded its pro rata share of the excess. Commercial insurance covers claims between \$1,000,000 and \$25,000,000. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

COUNTY OF PLACER, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

NOTE 12 – RISK MANAGEMENT (Continued)

The County Transit Fund is self-insured for public liability and property damage up to \$100,000 per occurrence. Claims between \$100,000 and \$500,000 are insured through the California Transit Systems Joint Powers Insurance Authority (CaTIP), a joint powers agency risk sharing pool, established in 1987 to provide an independently managed self-insurance program for member transit operators. Claims in excess of the pool limit are covered by excess insurance purchased by CaTIP up to \$10,000,000 per occurrence. The Transit Fund has not settled any claims exceeding the risk-pool limit of \$500,000 per occurrence for any of the past three fiscal years. The Transit fund has the following forms of coverage through CaTIP: bodily injury liability, property damage liability; public officials error and omissions liability; personal injury liability and collision and comprehensive coverage. The purpose of CaTIP is to spread the adverse effect of losses among the member agencies and to purchase excess insurance as a group, thereby reducing its expense.

All County funds participate in the self-insurance programs and make payments to the Self Insurance Internal Service Fund based on historical cost and/or actuarial estimates of the amounts needed to pay prior and current year claims (including future claim adjustment expenses), and to allow accrual of estimated incurred but not reported claims. The total historical cost/actuarially determined claims liability at June 30, 2004 is \$22,758,300 consisting of \$12,996,000 for Workers Compensation, and \$9,762,300 for General Liability. Changes in the Self Insurance Fund claims liabilities during the fiscal years ended June 30, 2004 and 2003 were as follows:

	Claims Liability July 1	Current Year Claims and Changes in Estimates	Current Year Claims Payments	Balance June 30
2002-2003	18,522,000	8,310,373	(6,376,573)	20,455,800
2003-2004	20,455,800	9,198,958	(6,896,458)	22,758,300

The claims liabilities above, reported in the Self Insurance Internal Service Fund at June 30, 2004, are based on requirements of GASB Statement No. 10 and GASB Statement No. 30, which require that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of loss can be reasonably estimated. These accruals represent estimates of amounts to be paid for reported claims, and incurred but unreported claims based upon past experience, modified for current trends and information at an 80% confident level. The County contracts with independent actuaries to compute the estimated liabilities for the County's self-insurance programs. The liability for unpaid claims for workers' compensation and general liability is discounted to reflect estimated net present value assuming a 4.7% and 5.0% interest rate, respectively. While the ultimate amounts of losses incurred through June 30, 2004 are dependent on future developments, based upon information provided by the County Counsel and others involved with the administration for the programs, the County's management believes that the aggregate accrual is adequate to cover such losses.

COUNTY OF PLACER, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

**NOTE 13 - COUNTY SOLID WASTE LANDFILL CLOSURE AND POSTCLOSURE
CARE COST**

The County accounts for solid waste landfill postclosure costs based on the provisions of GASB Statement No. 18, *Accounting for Municipal Solid Waste Landfill Closure and Postclosure Care Costs*. State and federal laws and regulations require the County to place a final cover on its Eastern Regional landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. The County closed the landfill during the 1995-1996 fiscal year. The \$4,944,443 reported as landfill postclosure care liability at June 30, 2004, represents the cumulative amount reported to that date based on the use of 100% of the estimated capacity of the landfill. Actual costs may be higher due to change in estimated inflation, deflation, changes in technology, or changes in applicable laws and regulations.

The County is required by state and federal regulations to make deposits to its postclosure maintenance fund to finance postclosure care costs. The County has restricted cash and investments for the payment of postclosure care costs in the amount of \$395,430 as of June 30, 2004.

NOTE 14 - JOINT VENTURE

The County, in conjunction with the City of Roseville and the South Placer Municipal Utility District, has formed the South Placer Wastewater Authority (the Authority) on October 1, 2000 to provide for the planning, financing, acquisition, ownership, construction and operation of the Regional Wastewater Facilities (Facilities). The County's ongoing financial responsibility is for the payment of their proportionate share of the operational and maintenance costs of the Facilities. The County does not have any equity interest in the Authority and, as of June 30, 2004, the County does not expect any additional financial benefit or financial burden from the Authority. The Authority's audited fund equity as of June 30, 2003 was \$473,129 (information at June 30, 2004 was not yet available at the time of the County's publication). Complete audited financial statements for the South Placer Wastewater Authority can be obtained from the Authority's offices at 2005 Hilltop Circle, Roseville, CA 95747.

NOTE 15 - JOINTLY GOVERNED ORGANIZATIONS

The County, in conjunction with Alpine, El Dorado, Nevada and Sierra counties, has created Golden Sierra Job Training Agency, the purpose of which is to develop and implement a public and private employer's job training program under which local employment needs and goals will be determined and training and employment programs will be planned, developed, and administered. The Golden Sierra Job Training Agency is funded through grants by the federal and state governments. The County has no equity interest in Golden Sierra Job Training Agency and no ongoing financial responsibility.

The County, in conjunction with the Cities of Roseville, Rocklin, and Lincoln, has formed Western Placer Waste Management Authority, the purpose of which is to acquire, own, operate and maintain a sanitary landfill site and all related improvements. The County has no equity interest in Western Placer Waste Management Authority and no ongoing financial responsibility.

The County is a participant with the counties of Nevada, Sutter, Yolo and Yuba to develop and operate Sierra-Sacramento Valley Emergency Medical Services Agency (the Agency). The Agency was developed to coordinate the provision of emergency medical services and to conduct various other specifically designated functions. The County has no equity interest in the Agency and no ongoing financial responsibility.

COUNTY OF PLACER, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

NOTE 16 – RESTATEMENT OF FUND BALANCE/NET ASSETS

During the fiscal year ended June 30, 2004, it was discovered that assets belonging to the Placer County Flood Control District, an independent special district, were inappropriately recorded in the County's Public Ways and Facilities Special Revenue Fund. Accordingly, beginning fund balance for the Public Ways and Facilities Special Revenue Fund decreased \$3,968,215 and beginning net assets for the Investment Trust Fund increased \$3,968,215. In addition, beginning net assets in the Statement of Activities decreased by \$3,968,215.

New Technical Bulletin

Effective July 1, 2003, the County adopted the provisions of GASB Technical Bulletin 2004-1, *Tobacco Settlement Recognition and Financial Reporting Entity Issues*. As a result, the Gold Country Settlement Funding Corporation (the Corporation), a legally separate entity, is included as a blended component unit of the County. The County's adoption of the provisions of Technical Bulletin 2004-1 resulted in restatements of beginning fund balance for the Debt Service Fund and net assets of governmental activities of \$6,758,535 and \$(34,443,803), respectively.

REQUIRED SUPPLEMENTARY INFORMATION

COUNTY OF PLACER, CALIFORNIA
SCHEDULES OF FUNDING PROGRESS – HISTORICAL PENSION DATA
FOR THE FISCAL YEAR ENDED JUNE 30, 2004
UNAUDITED

Miscellaneous Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL)- Entry Age (b)	(Over) Underfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Estimated Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
2001	340,377,099	277,624,016	(62,753,083)	122.6%	90,006,384	(69.7)%
2002	327,519,682	310,506,838	(17,012,844)	105.5%	102,541,282	(16.6)%
2003	334,905,212	380,649,604	45,744,392	88.0%	109,083,509	41.9%

Safety Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL)- Entry Age (b)	(Over) Underfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Estimated Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
2001	100,832,116	102,264,541	1,432,425	98.6%	18,778,106	7.6%
2002	95,689,982	114,248,100	18,558,118	83.8%	20,113,764	92.3%
2003	100,264,480	127,142,145	26,877,665	78.9%	20,893,293	128.6%

The actuarial value of assets as a percentage of the actuarial accrued liability and the unfunded actuarial accrued liability as a percentage of the annual covered payroll as of June 30, 2004 are obtained from CalPERS' annual actuarial report.

County of Placer, California

**General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2004**

	<u>Budgeted Amounts</u>		<u>Actual Budgetary Basis</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 87,686,787	\$ 87,686,787	\$ 91,590,724	\$ 3,903,937
Licenses and permits	5,379,175	5,507,074	6,806,851	1,299,777
Fines, forfeitures and penalties	8,644,658	8,731,109	11,148,443	2,417,334
Use of money and property	2,825,033	2,825,033	3,263,131	438,098
Intergovernmental	105,919,648	106,919,207	103,548,899	(3,370,308)
Charges for services	19,636,872	20,959,238	22,712,656	1,753,418
Contributions and donations	-	-	11,000	11,000
Miscellaneous	3,644,692	3,685,826	1,474,069	(2,211,757)
Total revenues	<u>233,736,865</u>	<u>236,314,274</u>	<u>240,555,773</u>	<u>4,241,499</u>
Expenditures				
Current:				
General government:				
Board of Supervisors	1,374,424	1,381,026	1,303,605	77,421
Clerk of the Board	483,414	483,414	403,441	79,973
County Executive Office	3,872,653	4,141,737	3,402,319	739,418
Community and Agency Support	3,560,631	2,777,425	2,026,068	751,357
Administrative Services	355,621	355,624	314,067	41,557
Auditor-Controller	3,437,565	3,437,565	3,109,439	328,126
Revenue Services	1,357,318	1,357,318	1,178,227	179,091
Treasurer-Tax Collector	2,537,552	2,587,737	2,083,888	503,849
Procurement Services	645,904	646,122	629,842	16,280
County Counsel	2,042,591	2,189,830	1,727,808	462,022
Personnel	1,770,526	1,828,637	1,687,369	141,268
Employee Benefits	1,748,171	1,821,106	1,746,029	75,077
Organization Development Division	729,597	741,786	608,801	132,985
Building Maintenance	6,009,517	6,052,647	5,397,867	654,780
Economic Development	982,702	1,059,701	910,041	149,660
Assessor	6,305,416	6,348,896	5,918,719	430,177
Information Technology Systems Division	6,024,932	6,080,158	6,021,806	58,352
Other	20,819,220	22,351,823	6,617,238	15,734,585
Total general government	<u>64,057,754</u>	<u>65,642,552</u>	<u>45,086,574</u>	<u>20,555,978</u>
Public protection:				
Criminal Justice	9,277,000	9,390,785	8,809,171	581,614
Child Support Services	7,164,205	7,398,270	7,398,269	1
Agricultural Commission-Sealer	1,541,983	1,577,393	1,199,345	378,048
County Clerk-Recorder	8,072,420	8,120,216	6,567,372	1,552,844
Emergency Services	497,993	534,373	484,083	50,290
Planning Department	6,479,542	7,633,887	6,765,288	868,599
Building Inspection	3,091,343	3,220,983	3,063,511	157,472
Domestic Animal Control	1,776,205	1,784,696	1,735,115	49,581
Other	589,202	598,073	350,869	247,204
Total public protection	<u>38,489,893</u>	<u>40,258,676</u>	<u>36,373,023</u>	<u>3,885,653</u>
Public assistance:				
Human Services	19,878,516	20,043,880	17,915,857	2,128,023
Client and Program Aid	26,171,948	26,171,948	22,723,439	3,448,509
Veteran's Services	235,995	235,995	230,451	5,544
Total public assistance	<u>46,286,459</u>	<u>46,451,823</u>	<u>40,869,747</u>	<u>5,582,076</u>

The note to the required supplementary information is an integral part of this statement.

County of Placer, California

General Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2004**

	<u>Budgeted Amounts</u>		<u>Actual Budgetary Basis</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Health and sanitation:				
Health Services	58,524,481	59,328,316	56,800,993	2,527,323
Total health and sanitation	58,524,481	59,328,316	56,800,993	2,527,323
Recreation and cultural services:				
Other	3,613,545	3,687,840	2,977,040	710,800
Total recreation and cultural services	3,613,545	3,687,840	2,977,040	710,800
Education:				
Other	251,752	251,752	231,158	20,594
Total education	251,752	251,752	231,158	20,594
Total expenditures	211,223,884	215,620,959	182,338,535	33,282,424
Excess of revenues over expenditures	22,512,981	20,693,315	58,217,238	37,523,923
Other Financing Sources (Uses)				
Transfers in	1,455,513	2,200,410	978,070	(1,222,340)
Transfers out	(49,997,210)	(51,742,107)	(58,276,390)	(6,534,283)
Total other financing sources (uses)	(48,541,697)	(49,541,697)	(57,298,320)	(7,756,623)
Net change in fund balance, budgetary basis	<u>\$ (26,028,716)</u>	<u>\$ (28,848,382)</u>	918,918	<u>\$ 29,767,300</u>
Basis adjustments:				
Encumbrances			3,316,480	
Net change in fund balance, GAAP basis			<u>\$ 4,235,398</u>	

The note to the required supplementary information is an integral part of this statement.

County of Placer, California

**Public Safety Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2004**

	<u>Budgeted Amounts</u>		<u>Actual Budgetary Basis</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Licenses and permits	\$ 55,812	\$ 55,812	\$ 35,946	\$ (19,866)
Fines, forfeitures and penalties	231,750	233,069	334,002	100,933
Use of money and property	-	-	36,830	36,830
Intergovernmental	34,776,722	35,371,822	35,244,212	(127,610)
Charges for services	4,336,803	4,336,803	3,866,073	(470,730)
Contributions and donations	-	-	21,450	21,450
Miscellaneous	1,301,900	1,252,853	675,900	(576,953)
Total revenues	<u>40,702,987</u>	<u>41,250,359</u>	<u>40,214,413</u>	<u>(1,035,946)</u>
Expenditures				
Current:				
Public protection:				
Sheriff-Coroner-Marshall	29,714,175	56,998,869	52,607,026	4,391,843
Probation Officer	6,330,374	12,416,678	11,960,046	456,632
District Attorney	4,717,520	11,559,475	10,812,536	746,939
Total expenditures	<u>40,762,069</u>	<u>80,975,022</u>	<u>75,379,608</u>	<u>5,595,414</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(59,082)</u>	<u>(39,724,663)</u>	<u>(35,165,195)</u>	<u>4,559,468</u>
Other Financing Sources (Uses)				
Transfers in	360,000	38,317,422	38,184,315	(133,107)
Transfers out	<u>(60,000)</u>	<u>(96,000)</u>	<u>-</u>	<u>96,000</u>
Total other financing sources (uses)	<u>300,000</u>	<u>38,221,422</u>	<u>38,184,315</u>	<u>(37,107)</u>
Net change in fund balance, budgetary basis	<u>\$ 240,918</u>	<u>\$ (1,503,241)</u>	3,019,120	<u>\$ 4,522,361</u>
Basis adjustments:				
Encumbrances			<u>2,194,278</u>	
Net change in fund balance, GAAP basis			<u>\$ 5,213,398</u>	

The note to the required supplementary information is an integral part of this statement.

County of Placer, California

**Public Ways and Facilities Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2004**

	<u>Budgeted Amounts</u>		<u>Actual Budgetary Basis</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 2,150,000	\$ 2,150,000	\$ 2,154,271	\$ 4,271
Licenses and permits	70,000	70,000	79,277	9,277
Fines, forfeitures and penalties	-	-	768,970	768,970
Use of money and property	550,000	550,000	869,858	319,858
Intergovernmental	23,279,850	23,330,850	10,441,546	(12,889,304)
Charges for services	10,355,795	11,806,360	6,723,177	(5,083,183)
Miscellaneous	831,000	46,000	22,853	(23,147)
Total revenues	<u>37,236,645</u>	<u>37,953,210</u>	<u>21,059,952</u>	<u>(16,893,258)</u>
Expenditures				
Current:				
Public ways and facilities:				
Road maintenance	11,726,144	13,134,551	12,692,669	441,882
Engineering	28,284,385	32,705,765	16,647,758	16,058,007
Total expenditures	<u>40,010,529</u>	<u>45,840,316</u>	<u>29,340,427</u>	<u>16,499,889</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,773,884)</u>	<u>(7,887,106)</u>	<u>(8,280,475)</u>	<u>(393,369)</u>
Other Financing Sources (Uses)				
Capital lease financing		785,000	444,996	(340,004)
Proceeds from sale of capital assets	30,000	30,000	9,553	(20,447)
Transfers in	-	1,940,475	5,859,896	3,919,421
Transfers out	(27,500)	(572,500)	(2,347,206)	(1,774,706)
Total other financing sources (uses)	<u>2,500</u>	<u>2,182,975</u>	<u>3,967,239</u>	<u>1,784,264</u>
Net change in fund balance, budgetary basis	<u>\$ (2,771,384)</u>	<u>\$ (5,704,131)</u>	<u>(4,313,236)</u>	<u>\$ 1,390,895</u>
Basis adjustments:				
Encumbrances			<u>4,346,037</u>	
Net change in fund balance, GAAP basis			<u>\$ 32,801</u>	

The note to the required supplementary information is an integral part of this statement.

COUNTY OF PLACER, CALIFORNIA
NOTE TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

NOTE 1 – BUDGETARY AND LEGAL COMPLIANCE

In accordance with provisions of Sections 29000 through 29144 of the California Government Code and other statutory provisions, commonly known as the County Budget Act, the County prepares and legally adopts a final balanced budget on or before August 30 for each fiscal year. Until the adoption of this final balanced budget, the appropriations are governed by the adopted proposed budget approved by the Board of Supervisors.

A balanced operating budget is adopted each fiscal year for the General, Special Revenue, Capital Projects, Debt Service, Enterprise and Internal Service Funds, except the Special Programs Special Revenue Fund. The budget is adopted on a modified accrual basis for the General, Special Revenue, Capital Projects and Debt Service Funds including encumbrances to reflect estimated revenues and expenditures. For the purposes of a budgetary presentation, actual GAAP expenditures have been adjusted to include current year encumbrances. The budget is adopted on an accrual basis for Enterprise and Internal Service Funds. Public hearings are conducted on the proposed budget to review all appropriations and the source of financing. The prior year fund balance is used as part of the balancing formula. Because the final budget must be balanced, any shortfall in revenue requires an equal reduction in appropriations.

Supplemental appropriations may be made during the year by the Board if revenues are received from unanticipated sources, or from anticipated sources, but in excess of estimates thereof. Management cannot amend the budget without the Board's approval. Budget amounts reported in the accompanying basic financial statements reflect the original budget and the final budget, as amended. All unencumbered budget appropriations lapse at the end of the fiscal year.

The legal level of budgetary control is exercised at the budget unit (departmental) level. Amendments and transfers of appropriations between budget units or that involves the addition or deletion of a project or piece of equipment must be approved by the Board. Management can make adjustments of appropriations, at their discretion, within or between objects within the same budget unit. For the fiscal year ended June 30, 2004, there were no expenditures in excess of the adopted appropriations.

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed in the governmental funds. Amounts remaining encumbered at year-end are reappropriated and honored during the subsequent year until expended or canceled. The results of operations presented for budgetary purposes for the General Fund and major Special Revenue Funds include the effects of both expenditures and encumbrances. Encumbrances at year-end are reported as reservations of fund balances on a GAAP basis.

NONMAJOR GOVERNMENTAL FUNDS



NONMAJOR GOVERNMENTAL FUNDS

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

<u>Community Services Fund</u>	This fund is used to account for the community services block grant and Section 8 housing programs.
<u>Special Aviation Fund</u>	This fund is used to account for federal airport and other revenues and expenditures for the provision of capital improvements and equipment maintenance at the Blue Canyon Airport.
<u>Gold Country Tourism and Promotions</u>	This fund is used to account for transient occupancy taxes and other revenues collected on the western slope of the Sierra Nevada Mountains within Placer County and their expenditure to encourage tourism and business development in that area.
<u>Fish and Game Fund</u>	This fund is used to account for fines and forfeitures received under Section 13003 of the Fish and Game Code and their expenditure for the propagation and conservation of fish and wildlife.
<u>Lake Tahoe Tourism and Promotions</u>	This fund is used to account for taxes and other revenues collected in the North Lake Tahoe area and their expenditure to fund marketing, promotions, visitor services, public improvements and infrastructure projects in the North Lake Tahoe area.
<u>Open Space Fund</u>	This fund is used to account for revenues and expenditures used to implement strategies to preserve land resources, and further open space and natural resource goals of Placer County.
<u>County Library Fund</u>	This fund is used to account for taxes and other revenues collected throughout the County, excluding the cities of Roseville and Lincoln, which are restricted to fund the operation of libraries within those areas.
<u>Fire Control Fund</u>	This fund is used to account for revenues and expenditures of funds earmarked for fire protection services in the unincorporated areas of the County.
<u>Special Programs Fund</u>	This fund accounts for state revenues received and certain charges for services to fund special programs in the County.

NONMAJOR GOVERNMENTAL FUNDS (Continued)

Special Revenue Funds (Continued)

Lighting Districts Fund

This fund is used to account for taxes, assessments and other revenues collected in specific areas of the County, which are restricted to fund street lighting in the unincorporated areas of the County.

County Service Areas Fund

This fund is used to account for taxes, assessments and other revenues collected in specific areas of the County which are restricted to fund a County Service Area which provides services such as landscaping, flood control, parks and recreation, and drainage or to pay down debt incurred for public improvements in specific service areas of County-governed Special Districts.

Redevelopment Agency Housing Fund

This fund is used to account for tax sharing revenues and other revenues used to fund the County's redevelopment activities.

Community Revitalization Fund

This fund is used to account for tax sharing revenues and community development block grants that are used to fund and sustain the County's redevelopment activities.

Capital Projects Fund

Redevelopment Agency Economic Development Fund

This fund was established to account for resources used for acquisition and construction of major capital facilities within County redevelopment areas

Debt Service Fund

Debt Service Fund

This fund is used to account for accumulation of resources for, and payment of, principal and interest on the County's general long-term debt. This fund was established to centrally budget all County debt service payments. Amounts are transferred into this fund from the various funding sources before payments are made.

Permanent Fund

Tahoe City Endowment Fund

This fund is used to account for resources that are held by the County which are legally restricted to the extent that only earnings may be used for purposes that support Tahoe City programs.

County of Placer, California

**Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2004**

	Special Revenue Funds	Redevelopment Agency Economic Development Fund	Debt Service Fund	Tahoe City Endowment Permanent Fund	Total Nonmajor Governmental Funds
Assets					
Cash and investments	\$ 31,219,913	\$ 3,639,761	\$ 101,648	\$ 18,687	\$ 34,980,009
Cash with fiscal agent	19	-	7,668,131	-	7,668,150
Deposits with others	3,300	-	-	-	3,300
Receivables (net):					
Accounts	404,145	-	1,432,948	-	1,837,093
Notes	4,003,737	175,000	-	-	4,178,737
Due from other funds	27,262	421,011	-	-	448,273
Due from other governments	795,949	-	-	-	795,949
Prepaid items	138,579	-	-	-	138,579
Advances to other funds	807,237	-	-	-	807,237
Total assets	<u>\$ 37,400,141</u>	<u>\$ 4,235,772</u>	<u>\$ 9,202,727</u>	<u>\$ 18,687</u>	<u>\$ 50,857,327</u>
Liabilities and Fund Balances					
Liabilities:					
Accounts payable and accrued liabilities	\$ 1,318,326	\$ 12,472	\$ -	\$ -	\$ 1,330,798
Due to other funds	429,614	18,659	-	-	448,273
Deposits from others	548,278	-	-	-	548,278
Deferred revenue	177,050	-	-	-	177,050
Advances from other funds	1,453,675	547,893	-	-	2,001,568
Total liabilities	<u>3,926,943</u>	<u>579,024</u>	<u>-</u>	<u>-</u>	<u>4,505,967</u>
Fund balances					
Reserved for:					
Encumbrances	1,998,574	377	-	-	1,998,951
Deposits with others	3,300	-	-	-	3,300
Notes receivable	4,003,737	175,000	-	-	4,178,737
Prepaid items	138,579	-	-	-	138,579
Advances	807,237	-	-	-	807,237
Imprest cash	750	-	-	-	750
General reserve	2,146,845	-	-	15,000	2,161,845
Debt service	-	-	5,759,817	-	5,759,817
Unreserved, undesignated	24,374,176	3,481,371	3,442,910	3,687	31,302,144
Total fund balances	<u>33,473,198</u>	<u>3,656,748</u>	<u>9,202,727</u>	<u>18,687</u>	<u>46,351,360</u>
Total liabilities and fund balances	<u>\$ 37,400,141</u>	<u>\$ 4,235,772</u>	<u>\$ 9,202,727</u>	<u>\$ 18,687</u>	<u>\$ 50,857,327</u>

County of Placer, California

Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Governmental Funds For the Fiscal Year Ended June 30, 2004

	Special Revenue Funds	Redevelopment Agency Economic Development Fund	Debt Service Fund	Tahoe City Endowment Permanent Fund	Total Nonmajor Governmental Funds
Revenues					
Taxes	\$ 9,401,164	\$ 2,501,031	\$ -	\$ -	\$ 11,902,195
Fines, forfeitures and penalties	382,636	-	-	-	382,636
Use of money and property	511,399	71,750	254,003	386	837,538
Intergovernmental	4,652,734	31,448	-	-	4,684,182
Charges for services	5,304,390	3,667	-	-	5,308,057
Contributions and donations	505,025	-	-	-	505,025
Tobacco settlement	-	-	2,464,799	-	2,464,799
Miscellaneous	259,886	2,250	-	-	262,136
Total revenues	<u>21,017,234</u>	<u>2,610,146</u>	<u>2,718,802</u>	<u>386</u>	<u>26,346,568</u>
Expenditures					
Current:					
General government	4,410,767	1,150,260	27,969	-	5,588,996
Public protection	4,866,223	-	-	-	4,866,223
Public assistance	2,017,177	-	-	-	2,017,177
Health and sanitation	16,527	-	-	-	16,527
Public ways and facilities	599,515	-	-	-	599,515
Recreation and cultural services	383,504	-	-	-	383,504
Education	3,700,395	-	-	-	3,700,395
Debt service:					
Principal	122,721	-	1,230,000	-	1,352,721
Interest	18,436	16,122	3,711,542	-	3,746,100
Capital outlay	4,661,965	450,112	-	-	5,112,077
Total expenditures	<u>20,797,230</u>	<u>1,616,494</u>	<u>4,969,511</u>	<u>-</u>	<u>27,383,235</u>
Excess (deficiency) of revenues over (under) expenditures	<u>220,004</u>	<u>993,652</u>	<u>(2,250,709)</u>	<u>386</u>	<u>(1,036,667)</u>
Other Financing Sources					
Long-term debt proceeds	596,667	-	-	-	596,667
Transfers in	3,905,436	-	1,871,576	-	5,777,012
Transfers out	(1,605,305)	(2,089)	-	-	(1,607,394)
Total other financing sources	<u>2,896,798</u>	<u>(2,089)</u>	<u>1,871,576</u>	<u>-</u>	<u>4,766,285</u>
Net change in fund balances	3,116,802	991,563	(379,133)	386	3,729,618
Fund balances, beginning of year	30,356,396	2,665,185	9,581,860	18,301	42,621,742
Fund balances, end of year	<u>\$ 33,473,198</u>	<u>\$ 3,656,748</u>	<u>\$ 9,202,727</u>	<u>\$ 18,687</u>	<u>\$ 46,351,360</u>

County of Placer, California

**Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2004**

	Community Services	Special Aviation	Gold Country Tourism and Promotions	Fish and Game	Lake Tahoe Tourism and Promotions	Open Space
Assets						
Cash and investments	\$ 239,841	\$ 12,291	\$ 124,950	\$ 25,770	\$ 1,702,044	\$ 2,600,064
Cash with fiscal agent	-	-	-	-	-	-
Deposits with others	-	-	-	-	-	-
Receivables (net):						
Accounts	2,660	-	20,706	-	365,153	-
Notes	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-
Due from other governments	43,079	-	-	-	-	200,065
Prepaid items	122,913	-	-	-	-	-
Advances to other funds	-	-	-	-	-	-
Total assets	<u>\$ 408,493</u>	<u>\$ 12,291</u>	<u>\$ 145,656</u>	<u>\$ 25,770</u>	<u>\$ 2,067,197</u>	<u>\$ 2,800,129</u>
Liabilities and Fund Balances						
Liabilities:						
Accounts payable and accrued liabilities	\$ 2,273	\$ -	\$ -	\$ 400	\$ -	\$ -
Due to other funds	-	-	-	-	-	-
Deposits from others	-	-	-	-	-	-
Deferred revenue	2,660	-	-	-	-	-
Advances from other funds	-	-	-	-	-	-
Total liabilities	<u>4,933</u>	<u>-</u>	<u>-</u>	<u>400</u>	<u>-</u>	<u>-</u>
Fund balances						
Reserved for:						
Encumbrances	-	-	-	-	1,625,789	-
Deposits with others	-	-	-	-	-	-
Notes receivable	-	-	-	-	-	-
Prepaid items	122,913	-	-	-	-	-
Advances	-	-	-	-	-	-
Imprest cash	-	-	-	-	-	-
General reserve	-	-	-	-	-	-
Unreserved, undesignated	<u>280,647</u>	<u>12,291</u>	<u>145,656</u>	<u>25,370</u>	<u>441,408</u>	<u>2,800,129</u>
Total fund balances	<u>403,560</u>	<u>12,291</u>	<u>145,656</u>	<u>25,370</u>	<u>2,067,197</u>	<u>2,800,129</u>
Total liabilities and fund balances	<u>\$ 408,493</u>	<u>\$ 12,291</u>	<u>\$ 145,656</u>	<u>\$ 25,770</u>	<u>\$ 2,067,197</u>	<u>\$ 2,800,129</u>

County of Placer, California

Combining Balance Sheet Nonmajor Special Revenue Funds June 30, 2004

County Library	Fire Control	Special Programs	Lighting Districts	County Service Areas	Redevelopment Agency Housing	Community Revitalization	Total Nonmajor Special Revenue Funds
\$ 937,852	\$ 826,347	\$ 11,267,877	\$ 147,458	\$ 11,294,215	\$ 1,147,146	\$ 894,058	\$ 31,219,913
-	10	-	-	9	-	-	19
-	-	-	-	-	3,300	-	3,300
-	-	-	-	15,626	-	-	404,145
-	-	-	-	-	1,609,150	2,394,587	4,003,737
-	-	-	-	-	27,262	-	27,262
10,678	473,169	20,630	-	19,190	-	29,138	795,949
15,394	-	-	-	272	-	-	138,579
-	-	576,627	-	-	-	230,610	807,237
<u>\$ 963,924</u>	<u>\$ 1,299,526</u>	<u>\$ 11,865,134</u>	<u>\$ 147,458</u>	<u>\$ 11,329,312</u>	<u>\$ 2,786,858</u>	<u>\$ 3,548,393</u>	<u>\$ 37,400,141</u>
\$ 58,393	\$ 250,945	\$ -	\$ 3,020	\$ 963,395	\$ 15,815	\$ 24,085	\$ 1,318,326
-	-	-	-	-	-	429,614	429,614
-	-	-	6,613	541,665	-	-	548,278
10,678	-	163,712	-	-	-	-	177,050
-	-	-	-	501,704	721,361	230,610	1,453,675
<u>69,071</u>	<u>250,945</u>	<u>163,712</u>	<u>9,633</u>	<u>2,006,764</u>	<u>737,176</u>	<u>684,309</u>	<u>3,926,943</u>
93,124	200,981	-	7,413	71,212	55	-	1,998,574
-	-	-	-	-	3,300	-	3,300
-	-	-	-	-	1,609,150	2,394,587	4,003,737
15,394	-	-	-	272	-	-	138,579
-	-	576,627	-	-	-	230,610	807,237
700	-	-	-	50	-	-	750
-	-	-	25,868	2,120,977	-	-	2,146,845
<u>785,635</u>	<u>847,600</u>	<u>11,124,795</u>	<u>104,544</u>	<u>7,130,037</u>	<u>437,177</u>	<u>238,887</u>	<u>24,374,176</u>
<u>894,853</u>	<u>1,048,581</u>	<u>11,701,422</u>	<u>137,825</u>	<u>9,322,548</u>	<u>2,049,682</u>	<u>2,864,084</u>	<u>33,473,198</u>
<u>\$ 963,924</u>	<u>\$ 1,299,526</u>	<u>\$ 11,865,134</u>	<u>\$ 147,458</u>	<u>\$ 11,329,312</u>	<u>\$ 2,786,858</u>	<u>\$ 3,548,393</u>	<u>\$ 37,400,141</u>

County of Placer, California

**Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2004**

	Community Services	Special Aviation	Gold Country Tourism and Promotions	Fish and Game	Lake Tahoe Tourism and Promotions	Open Space
Revenues						
Taxes	\$ -	\$ -	\$ 235,143	\$ -	\$ 4,101,232	\$ -
Fines, forfeitures and penalties	-	-	-	4,188	-	-
Use of money and property	6,255	341	4,823	491	19,963	62,412
Intergovernmental	1,623,310	10,000	-	-	-	1,152,829
Charges for services	24,951	-	-	-	-	-
Contributions and donations	-	-	-	-	-	500,000
Miscellaneous	-	32	-	-	-	-
Total revenues	<u>1,654,516</u>	<u>10,373</u>	<u>239,966</u>	<u>4,679</u>	<u>4,121,195</u>	<u>1,715,241</u>
Expenditures						
Current:						
General government	-	-	3,694	-	3,075,969	4,475
Public protection	-	-	-	3,958	-	-
Public assistance	1,642,585	-	-	-	-	-
Health and sanitation	-	-	-	-	-	-
Public ways and facilities	-	25,289	-	-	-	-
Recreation and cultural services	-	-	-	-	-	-
Education	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	3,854,000
Total expenditures	<u>1,642,585</u>	<u>25,289</u>	<u>3,694</u>	<u>3,958</u>	<u>3,075,969</u>	<u>3,858,475</u>
Excess (deficiency) of revenues over (under) expenditures	<u>11,931</u>	<u>(14,916)</u>	<u>236,272</u>	<u>721</u>	<u>1,045,226</u>	<u>(2,143,234)</u>
Other Financing Sources						
Long-term debt proceeds	-	-	-	-	-	-
Transfers in	55,662	-	-	1,855	-	1,000,000
Transfers out	-	-	(221,373)	-	-	-
Total other financing sources	<u>55,662</u>	<u>-</u>	<u>(221,373)</u>	<u>1,855</u>	<u>-</u>	<u>1,000,000</u>
Net change in fund balances	67,593	(14,916)	14,899	2,576	1,045,226	(1,143,234)
Fund balances, beginning of year	<u>335,967</u>	<u>27,207</u>	<u>130,757</u>	<u>22,794</u>	<u>1,021,971</u>	<u>3,943,363</u>
Fund balances, end of year	<u>\$ 403,560</u>	<u>\$ 12,291</u>	<u>\$ 145,656</u>	<u>\$ 25,370</u>	<u>\$ 2,067,197</u>	<u>\$ 2,800,129</u>

County of Placer, California

**Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2004**

County Library	Fire Control	Special Programs	Lighting Districts	County Service Areas	Redevelopment Agency Housing	Community Revitalization	Total Nonmajor Special Revenue Funds
\$ 2,768,910	\$ 836,352	\$ -	\$ 10,499	\$ 523,699	\$ 925,329	\$ -	\$ 9,401,164
107,579	-	270,869	-	-	-	-	382,636
24,993	16,212	114,228	1,987	231,818	18,676	9,200	511,399
179,618	1,143,844	5,390	-	8,336	-	529,407	4,652,734
118,640	555,606	1,378,355	459,842	2,745,127	21,869	-	5,304,390
-	-	-	-	5,025	-	-	505,025
48,556	46,394	37,881	-	94,515	-	32,508	259,886
3,248,296	2,598,408	1,806,723	472,328	3,608,520	965,874	571,115	21,017,234
-	-	101,944	6,781	735,218	482,686	-	4,410,767
-	3,619,586	-	-	1,242,679	-	-	4,866,223
-	-	-	-	-	-	374,592	2,017,177
-	-	-	-	16,527	-	-	16,527
-	-	-	166	574,060	-	-	599,515
-	-	-	383,504	-	-	-	383,504
3,700,395	-	-	-	-	-	-	3,700,395
-	49,150	-	-	73,571	-	-	122,721
-	4,992	-	-	1,601	11,843	-	18,436
-	214,456	-	-	593,509	-	-	4,661,965
3,700,395	3,888,184	101,944	390,451	3,237,165	494,529	374,592	20,797,230
(452,099)	(1,289,776)	1,704,779	81,877	371,355	471,345	196,523	220,004
-	-	-	-	-	596,667	-	596,667
399,071	1,375,945	-	110,548	814,146	2,155	146,054	3,905,436
-	-	(92,202)	(150,392)	(1,012,372)	(96,956)	(32,010)	(1,605,305)
399,071	1,375,945	(92,202)	(39,844)	(198,226)	501,866	114,044	2,896,798
(53,028)	86,169	1,612,577	42,033	173,129	973,211	310,567	3,116,802
947,881	962,412	10,088,845	95,792	9,149,419	1,076,471	2,553,517	30,356,396
\$ 894,853	\$ 1,048,581	\$ 11,701,422	\$ 137,825	\$ 9,322,548	\$ 2,049,682	\$ 2,864,084	\$ 33,473,198

County of Placer, California

**Community Services Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2004**

	<u>Budgeted Amounts</u>		<u>Actual Budgetary Basis</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Use of money and property	\$ 7,000	\$ 7,000	\$ 6,255	\$ (745)
Intergovernmental	1,429,435	1,635,435	1,623,310	(12,125)
Charges for services	-	-	24,951	24,951
Total revenues	<u>1,436,435</u>	<u>1,642,435</u>	<u>1,654,516</u>	<u>12,081</u>
Expenditures				
Current:				
Public assistance:				
Housing assistance services	1,492,497	1,711,339	1,642,585	68,754
Total expenditures	<u>1,492,497</u>	<u>1,711,339</u>	<u>1,642,585</u>	<u>68,754</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(56,062)</u>	<u>(68,904)</u>	<u>11,931</u>	<u>80,835</u>
Other Financing Sources (Uses)				
Transfers in	<u>55,662</u>	<u>55,662</u>	<u>55,662</u>	<u>-</u>
Total other financing sources (uses)	<u>55,662</u>	<u>55,662</u>	<u>55,662</u>	<u>-</u>
Net change in fund balance, budgetary basis	<u>\$ (400)</u>	<u>\$ (13,242)</u>	<u>67,593</u>	<u>\$ 80,835</u>
Basis adjustments:				
Encumbrances			<u>-</u>	
Net change in fund balance, GAAP basis			<u>\$ 67,593</u>	

County of Placer, California

**Special Aviation Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2004**

	<u>Budgeted Amounts</u>		<u>Actual Budgetary Basis</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Use of money and property	\$ -	\$ -	\$ 341	\$ 341
Intergovernmental	10,000	10,000	10,000	-
Miscellaneous	-	-	32	32
Total revenues	<u>10,000</u>	<u>10,000</u>	<u>10,373</u>	<u>373</u>
Expenditures				
Current:				
Public ways and facilities				
Public transit	<u>28,000</u>	<u>28,000</u>	<u>25,289</u>	<u>2,711</u>
Total expenditures	<u>28,000</u>	<u>28,000</u>	<u>25,289</u>	<u>2,711</u>
Net change in fund balance, budgetary basis	<u>\$ (18,000)</u>	<u>\$ (18,000)</u>	(14,916)	<u>\$ 3,084</u>
Basis adjustments:				
Encumbrances			<u>-</u>	
Net change in fund balance, GAAP basis			<u>\$ (14,916)</u>	

County of Placer, California

**Gold Country Tourism and Promotions Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2004**

	<u>Budgeted Amounts</u>		<u>Actual Budgetary Basis</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 205,000	\$ 205,000	\$ 235,143	\$ 30,143
Use of money and property	4,500	4,500	4,823	323
Total revenues	<u>209,500</u>	<u>209,500</u>	<u>239,966</u>	<u>30,466</u>
Expenditures				
Current:				
General government:				
Gold country tourism and promotion	118,884	118,884	3,694	115,190
Total expenditures	<u>118,884</u>	<u>118,884</u>	<u>3,694</u>	<u>115,190</u>
Excess (deficiency) of revenues over (under) expenditures	<u>90,616</u>	<u>90,616</u>	<u>236,272</u>	<u>145,656</u>
Other Financing Sources (Uses)				
Transfers out	-	-	(221,373)	(221,373)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(221,373)</u>	<u>(221,373)</u>
Net change in fund balance, budgetary basis	<u>\$ 90,616</u>	<u>\$ 90,616</u>	14,899	<u>\$ (75,717)</u>
Basis adjustments:				
Encumbrances			-	
Net change in fund balance, GAAP basis			<u>\$ 14,899</u>	

County of Placer, California

**Fish and Game Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2004**

	<u>Budgeted Amounts</u>		<u>Actual Budgetary Basis</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Fines, forfeitures and penalties	\$ 1,500	\$ 1,500	\$ 4,188	\$ 2,688
Use of money and property	700	700	491	(209)
Total revenues	<u>2,200</u>	<u>2,200</u>	<u>4,679</u>	<u>2,479</u>
Expenditures				
Current:				
Public protection				
Fish and game	12,365	13,265	3,958	9,307
Total expenditures	<u>12,365</u>	<u>13,265</u>	<u>3,958</u>	<u>9,307</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(10,165)</u>	<u>(11,065)</u>	<u>721</u>	<u>11,786</u>
Other Financing Sources (Uses)				
Transfers in	-	-	1,855	1,855
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>1,855</u>	<u>1,855</u>
Net change in fund balance, budgetary basis	<u>\$ (10,165)</u>	<u>\$ (11,065)</u>	2,576	<u>\$ 13,641</u>
Basis adjustments:				
Encumbrances			-	
Net change in fund balance, GAAP basis			<u>\$ 2,576</u>	

County of Placer, California

**Lake Tahoe Tourism and Promotions Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2004**

	<u>Budgeted Amounts</u>		<u>Actual Budgetary Basis</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 4,000,000	\$ 4,000,000	\$ 4,101,232	\$ 101,232
Use of money and property	-	-	19,963	19,963
Total revenues	<u>4,000,000</u>	<u>4,000,000</u>	<u>4,121,195</u>	<u>121,195</u>
 Expenditures				
Current:				
General government				
Lake Tahoe tourism and promotions	<u>4,059,665</u>	<u>4,816,961</u>	<u>4,701,758</u>	<u>115,203</u>
Total expenditures	<u>4,059,665</u>	<u>4,816,961</u>	<u>4,701,758</u>	<u>115,203</u>
 Net change in fund balance, budgetary basis	<u>\$ (59,665)</u>	<u>\$ (816,961)</u>	(580,563)	<u>\$ 236,398</u>
 Basis adjustments:				
Encumbrances			<u>1,625,789</u>	
 Net change in fund balance, GAAP basis			<u>\$ 1,045,226</u>	

County of Placer, California

**Open Space Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2004**

	<u>Budgeted Amounts</u>		<u>Actual Budgetary Basis</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Use of money and property	\$ 11,000	\$ 11,000	\$ 62,412	\$ 51,412
Intergovernmental	-	289,000	1,152,829	863,829
Contributions and donations	-	-	500,000	500,000
Miscellaneous	-	1,279,066	-	(1,279,066)
Total revenues	<u>11,000</u>	<u>1,579,066</u>	<u>1,715,241</u>	<u>136,175</u>
Expenditures				
Current:				
General government:				
Open space	<u>50,000</u>	<u>3,911,000</u>	<u>3,858,475</u>	<u>52,525</u>
Total expenditures	<u>50,000</u>	<u>3,911,000</u>	<u>3,858,475</u>	<u>52,525</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(39,000)</u>	<u>(2,331,934)</u>	<u>(2,143,234)</u>	<u>188,700</u>
Other Financing Sources (Uses)				
Transfers in	<u>-</u>	<u>-</u>	<u>1,000,000</u>	<u>1,000,000</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>1,000,000</u>	<u>1,000,000</u>
Net change in fund balance, budgetary basis	<u>\$ 1,229,066</u>	<u>\$ (3,911,000)</u>	<u>(1,143,234)</u>	<u>\$ 1,188,700</u>
Basis adjustments:				
Encumbrances			<u>-</u>	
Net change in fund balance, GAAP basis			<u>\$ (1,143,234)</u>	

County of Placer, California

**County Library Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2004**

	<u>Budgeted Amounts</u>		<u>Actual Budgetary Basis</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 2,623,310	2,623,310	\$ 2,768,910	\$ 145,600
Fines, forfeitures and penalties	111,500	111,500	107,579	(3,921)
Use of money and property	29,100	29,100	24,993	(4,107)
Intergovernmental	121,554	121,551	179,618	58,067
Charges for services	94,000	94,000	118,640	24,640
Miscellaneous	8,000	8,000	48,556	40,556
Total revenues	2,987,464	2,987,461	3,248,296	260,835
Expenditures				
Current:				
General government:				
Education	3,793,498	3,897,992	3,793,519	104,473
Total expenditures	3,793,498	3,897,992	3,793,519	104,473
Excess (deficiency) of revenues over (under) expenditures	(806,034)	(910,531)	(545,223)	365,308
Other Financing Sources (Uses)				
Transfers in	416,635	416,635	399,071	(17,564)
Total other financing sources (uses)	416,635	416,635	399,071	(17,564)
Net change in fund balance, budgetary basis	<u>\$ (389,399)</u>	<u>\$ (493,896)</u>	(146,152)	<u>\$ 347,744</u>
Basis adjustments:				
Encumbrances			93,124	
Net change in fund balance, GAAP basis			<u>\$ (53,028)</u>	

County of Placer, California

**Fire Control Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2004**

	<u>Budgeted Amounts</u>		<u>Actual Budgetary Basis</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 825,038	\$ 825,038	\$ 836,352	\$ 11,314
Use of money and property	4,384	4,384	16,212	11,828
Intergovernmental	1,405,802	1,455,802	1,143,844	(311,958)
Charges for services	598,778	626,276	555,606	(70,670)
Miscellaneous	30,000	47,600	46,394	(1,206)
Total revenues	<u>2,864,002</u>	<u>2,959,100</u>	<u>2,598,408</u>	<u>(360,692)</u>
Expenditures				
Current:				
Public protection				
Fire protection- not county wide	<u>3,507,323</u>	<u>4,804,469</u>	<u>4,089,165</u>	<u>715,304</u>
Total expenditures	<u>3,507,323</u>	<u>4,804,469</u>	<u>4,089,165</u>	<u>715,304</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(643,321)</u>	<u>(1,845,369)</u>	<u>(1,490,757)</u>	<u>354,612</u>
Other Financing Sources (Uses)				
Transfers in	<u>517,460</u>	<u>1,429,474</u>	<u>1,375,945</u>	<u>(53,529)</u>
Total other financing sources (uses)	<u>517,460</u>	<u>1,429,474</u>	<u>1,375,945</u>	<u>(53,529)</u>
Net change in fund balance, budgetary basis	<u>\$ (125,861)</u>	<u>\$ (415,895)</u>	<u>(114,812)</u>	<u>\$ 301,083</u>
Basis adjustments:				
Encumbrances			<u>200,981</u>	
Net change in fund balance, GAAP basis			<u>\$ 86,169</u>	

County of Placer, California

**Lighting Districts Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2004**

	<u>Budgeted Amounts</u>		<u>Actual Budgetary Basis</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 8,250	\$ 8,250	\$ 10,499	\$ 2,249
Use of money and property	2,050	2,050	1,987	(63)
Charges for services	441,970	441,970	459,842	17,872
Total revenues	452,270	452,270	472,328	20,058
Expenditures				
Current:				
General government	35,058	35,058	6,781	28,277
Public ways and facilities	5,995	5,995	166	5,829
Recreation and cultural services	534,409	486,523	390,917	95,606
Total expenditures	575,462	527,576	397,864	129,712
Excess (deficiency) of revenues over (under) expenditures	(123,192)	(75,306)	74,464	149,770
Other Financing Sources (Uses)				
Transfers in	109,586	109,586	110,548	962
Transfers out	-	(60,000)	(150,392)	(90,392)
Total other financing sources (uses)	109,586	49,586	(39,844)	(89,430)
Net change in fund balance, budgetary basis	<u>\$ (13,606)</u>	<u>\$ (25,720)</u>	34,620	<u>\$ 60,340</u>
Basis adjustments:				
Encumbrances			7,413	
Net change in fund balance, GAAP basis			<u>\$ 42,033</u>	

County of Placer, California

**County Service Areas Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2004**

	<u>Budgeted Amounts</u>			
	<u>Original</u>	<u>Final</u>	<u>Actual Budgetary Basis</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Revenues				
Taxes	\$ 429,128	\$ 429,128	\$ 523,699	\$ 94,571
Use of money and property	269,514	269,514	231,818	(37,696)
Intergovernmental	5,528	15,528	8,336	(7,192)
Charges for services	1,875,136	3,621,010	2,745,127	(875,883)
Contributions and donations	-	-	5,025	5,025
Miscellaneous	22,781	23,781	94,515	70,734
Total revenues	<u>2,602,087</u>	<u>4,358,961</u>	<u>3,608,520</u>	<u>(750,441)</u>
Expenditures				
Current:				
General government	847,931	817,506	735,218	82,288
Public protection	1,376,491	2,519,815	1,982,573	537,242
Health and sanitation	74,687	74,687	16,527	58,160
Public ways and facilities	242,577	697,051	574,059	122,992
Total expenditures	<u>2,541,686</u>	<u>4,109,059</u>	<u>3,308,377</u>	<u>800,682</u>
Excess of revenues over expenditures	<u>60,401</u>	<u>249,902</u>	<u>300,143</u>	<u>50,241</u>
Other Financing Sources (Uses)				
Long term debt proceeds	679,894	679,894	-	(679,894)
Transfers in	144,224	151,349	814,146	662,797
Transfers out	(50,923)	(1,017,937)	(1,012,372)	5,565
Total other financing sources (uses)	<u>773,195</u>	<u>(186,694)</u>	<u>(198,226)</u>	<u>(11,532)</u>
Net change in fund balance, budgetary basis	<u>\$ 833,596</u>	<u>\$ 63,208</u>	<u>101,917</u>	<u>\$ 38,709</u>
Basis adjustments:				
Encumbrances			<u>71,212</u>	
Net change in fund balance, GAAP basis			<u>\$ 173,129</u>	

County of Placer, California

**Redevelopment Agency Housing Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2004**

	<u>Budgeted Amounts</u>		<u>Actual Budgetary Basis</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 851,537	\$ 851,537	\$ 925,329	\$ 73,792
Use of money and property	15,000	15,000	18,676	3,676
Charges for services	20,000	20,000	21,869	1,869
Total revenues	886,537	886,537	965,874	79,337
Expenditures				
Current:				
General government	1,261,200	1,310,045	494,529	815,516
Total expenditures	1,261,200	1,310,045	494,529	815,516
Excess (deficiency) of revenues over (under) expenditures	(374,663)	(1,288,176)	471,345	894,853
Other Financing Sources (Uses)				
Long term debt proceeds	-	-	596,667	596,667
Transfers in	-	-	2,155	2,155
Transfers out	-	-	(96,956)	(96,956)
Total other financing sources (uses)	-	-	501,866	501,866
Net change in fund balance, budgetary basis	<u>\$ (374,663)</u>	<u>\$ (1,288,176)</u>	973,211	<u>\$ 1,396,719</u>
Basis adjustments:				
Encumbrances			-	
Net change in fund balance, GAAP basis			<u>\$ 973,211</u>	

County of Placer, California

**Community Revitalization Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2004**

	<u>Budgeted Amounts</u>		<u>Actual Budgetary Basis</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Use of money and property	\$ 30,000	\$ 30,000	\$ 9,200	\$ (20,800)
Intergovernmental	2,513,790	2,513,790	529,407	(1,984,383)
Charges for services	100,000	100,000	-	(100,000)
Miscellaneous	170,000	170,000	32,508	(137,492)
Total revenues	<u>2,813,790</u>	<u>2,813,790</u>	<u>571,115</u>	<u>(2,242,675)</u>
Expenditures				
Current:				
Public assistance	3,000,391	3,000,391	374,592	2,625,799
Total expenditures	<u>3,000,391</u>	<u>3,000,391</u>	<u>374,592</u>	<u>2,625,799</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(186,601)</u>	<u>(186,601)</u>	<u>196,523</u>	<u>383,124</u>
Other Financing Sources (Uses)				
Transfers in	186,598	186,598	146,054	(40,544)
Transfers out	-	-	(32,010)	(32,010)
Total other financing sources (uses)	<u>186,598</u>	<u>186,598</u>	<u>114,044</u>	<u>(72,554)</u>
Net change in fund balance, budgetary basis	<u>\$ (3)</u>	<u>\$ (3)</u>	310,567	<u>\$ 310,570</u>
Basis adjustments:				
Encumbrances			<u>-</u>	
Net change in fund balance, GAAP basis			<u>\$ 310,567</u>	

County of Placer, California

**Capital Improvements Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2004**

	<u>Budgeted Amounts</u>		<u>Actual Budgetary Basis</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Use of money and property	\$ 432,264	\$ 432,264	\$ 1,126,364	\$ 694,100
Intergovernmental	10,050,593	10,060,593	549,450	(9,511,143)
Charges for services	-	-	7,642,635	7,642,635
Contributions and donations	-	-	125,000	125,000
Miscellaneous	1,439,219	1,524,000	820,301	(703,699)
Total revenues	11,922,076	12,016,857	10,263,750	(1,753,107)
Expenditures				
Capital improvement	46,161,735	52,462,484	9,975,758	42,486,726
Total expenditures	46,161,735	52,462,484	9,975,758	42,486,726
Excess (deficiency) of revenues over (under) expenditures	(34,239,659)	(40,445,627)	287,992	40,733,619
Other Financing Sources (Uses)				
Transfers in	22,243,899	24,597,525	6,279,162	(18,318,363)
Transfers out	-	-	(440,836)	(440,836)
Total other financing sources (uses)	22,243,899	24,597,525	5,838,326	(18,759,199)
Net change in fund balance, budgetary basis	<u>\$ (11,995,760)</u>	<u>\$ (15,848,102)</u>	6,126,318	<u>\$ 21,974,420</u>
Basis adjustments:				
Encumbrances			2,341,268	
Net change in fund balance, GAAP basis			<u>\$ 8,467,586</u>	

County of Placer, California

**Capital Projects Securitization Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2004**

	<u>Budgeted Amounts</u>		<u>Actual Budgetary Basis</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Use of money and property	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
Expenditures				
Capital improvement	26,187,402	28,300,211	3,117,358	25,182,853
Total expenditures	26,187,402	28,300,211	3,117,358	25,182,853
Excess (deficiency) of revenues over (under) expenditures	(26,187,402)	(28,300,211)	(3,117,358)	25,182,853
Other Financing Sources (Uses)				
Transfers in	4,000,000	4,000,000	-	(4,000,000)
Total other financing sources (uses)	4,000,000	4,000,000	-	(4,000,000)
Net change in fund balance, budgetary basis	<u>\$ (22,187,402)</u>	<u>\$ (24,300,211)</u>	(3,117,358)	<u>\$ 21,182,853</u>
Basis adjustments:				
Encumbrances			758,993	
Net change in fund balance, GAAP basis			<u>\$ (2,358,365)</u>	

County of Placer, California

**Redevelopment Agency Economic Development Capital Projects Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2004**

	<u>Budgeted Amounts</u>		<u>Actual Budgetary Basis</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 2,634,944	\$ 2,634,944	\$ 2,501,031	\$ (133,913)
Use of money and property	57,000	57,000	71,750	14,750
Intergovernmental	30,300	30,300	31,448	1,148
Charges for services	-	-	3,667	3,667
Miscellaneous	-	-	2,250	2,250
Total revenues	<u>2,722,244</u>	<u>2,722,244</u>	<u>2,610,146</u>	<u>(112,098)</u>
Expenditures				
Current:				
General government	<u>5,984,300</u>	<u>6,044,894</u>	<u>1,616,871</u>	<u>4,428,023</u>
Total expenditures	<u>5,984,300</u>	<u>6,044,894</u>	<u>1,616,871</u>	<u>4,428,023</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,262,056)</u>	<u>(3,322,650)</u>	<u>993,275</u>	<u>4,315,925</u>
Other Financing Uses				
Transfers out	<u>-</u>	<u>-</u>	<u>(2,089)</u>	<u>(2,089)</u>
Total other financing uses	<u>-</u>	<u>-</u>	<u>(2,089)</u>	<u>(2,089)</u>
Net change in fund balance, budgetary basis	<u>\$ (3,262,056)</u>	<u>\$ (3,322,650)</u>	991,186	<u>\$ 4,313,836</u>
Basis adjustments:				
Encumbrances			<u>377</u>	
Net change in fund balance, GAAP basis			<u>\$ 991,563</u>	

County of Placer, California

Debt Service Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended June 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual Budgetary Basis</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Use of money and property	\$ 121,112	\$ 121,112	\$ 254,003	\$ 132,891
Tobacco settlement	3,045,976	3,045,976	2,464,799	(581,177)
Total revenues	3,167,088	3,167,088	2,718,802	(448,286)
Expenditures				
Current:				
General government	34,227	34,227	27,969	6,258
Debt service:				
Principal	1,255,000	1,255,000	1,230,000	25,000
Interest	4,375,708	4,375,708	3,711,542	664,166
Total expenditures	5,664,935	5,664,935	4,969,511	695,424
Excess (deficiency) of revenues over (under) expenditures	(2,497,847)	(2,497,847)	(2,250,709)	247,138
Other Financing Sources				
Transfers in	1,860,464	1,860,464	1,871,576	11,112
Total other financing sources	1,860,464	1,860,464	1,871,576	11,112
Net change in fund balance, budgetary basis	<u>\$ (637,383)</u>	<u>\$ (637,383)</u>	(379,133)	<u>\$ 258,250</u>
Basis adjustments:				
Encumbrances			-	
Net change in fund balance, GAAP basis			<u>\$ (379,133)</u>	

INTERNAL SERVICE FUNDS



INTERNAL SERVICE FUNDS

Internal Service Funds

County Services Fund

This fund is used to account for the costs of providing services to County departments, including: telecommunications, countywide systems and technology projects, automotive fleet, reprographics, mail and records management services. Revenues are generated based on fees charged for services provided.

District Services Fund

This fund is used to account for the costs of providing services to County-governed utility districts, a county service area, and municipal advisory councils. Revenues are generated mainly through user charges and connection fees.

Self Insurance Fund

This fund is used to account for the costs of administering the County's risk management program, which includes: unemployment, general liability, workers compensation, dental and vision insurance. The primary source of revenues for the fund is premiums paid by other funds.

County of Placer, California

Combining Statement of Net Assets Internal Service Funds June 30, 2004

	County Services	District Services	Self Insurance	Total
Assets				
Current assets:				
Cash and investments	\$ 11,112,963	\$ 845,196	\$ 26,113,730	\$ 38,071,889
Receivables	38,211	22,543	-	60,754
Inventories	690,520	-	-	690,520
Prepaid items	9,538	-	324	9,862
Total current assets	<u>11,851,232</u>	<u>867,739</u>	<u>26,114,054</u>	<u>38,833,025</u>
Noncurrent assets:				
Advances to other funds	-	884,909	-	884,909
Capital assets:				
Land	-	-	20,095	20,095
Buildings	1,224,466	16,307	73,706	1,314,479
Equipment	16,620,146	2,051,770	-	18,671,916
Construction in progress	127,321	-	-	127,321
Less accumulated depreciation	<u>(8,128,306)</u>	<u>(1,202,475)</u>	<u>(33,560)</u>	<u>(9,364,341)</u>
Total capital assets, net	<u>9,843,627</u>	<u>865,602</u>	<u>60,241</u>	<u>10,769,470</u>
Total noncurrent assets	<u>9,843,627</u>	<u>1,750,511</u>	<u>60,241</u>	<u>11,654,379</u>
Total assets	<u>21,694,859</u>	<u>2,618,250</u>	<u>26,174,295</u>	<u>50,487,404</u>
Liabilities				
Current liabilities:				
Accounts payable and accrued liabilities	814,422	66,992	226,305	1,107,719
Due to other funds	1,406,731	-	-	1,406,731
Deposits from others	-	7,000	5,409	12,409
Compensated absences	<u>89,356</u>	<u>78,448</u>	<u>9,914</u>	<u>177,718</u>
Total current liabilities	<u>2,310,509</u>	<u>152,440</u>	<u>241,628</u>	<u>2,704,577</u>
Noncurrent liabilities:				
Compensated absences	227,485	175,256	38,859	441,600
Advances from other funds	400,251	686,946	-	1,087,197
Self insurance liability	<u>-</u>	<u>-</u>	<u>22,758,300</u>	<u>22,758,300</u>
Total noncurrent liabilities	<u>627,736</u>	<u>862,202</u>	<u>22,797,159</u>	<u>24,287,097</u>
Total liabilities	<u>2,938,245</u>	<u>1,014,642</u>	<u>23,038,787</u>	<u>26,991,674</u>
Net Assets				
Invested in capital assets	9,843,627	865,602	60,241	10,769,470
Unrestricted	<u>8,912,987</u>	<u>738,006</u>	<u>3,075,267</u>	<u>12,726,260</u>
Total net assets	<u>\$ 18,756,614</u>	<u>\$ 1,603,608</u>	<u>\$ 3,135,508</u>	<u>\$ 23,495,730</u>

County of Placer, California

**Statement of Revenues, Expenses, and Changes in Fund Net Assets
Internal Service Funds
For the Fiscal Year Ended June 30, 2004**

	<u>County Services</u>	<u>District Services</u>	<u>Self Insurance</u>	<u>Total</u>
Operating Revenues				
Insurance charges	\$ -	\$ -	\$ 13,603,034	\$ 13,603,034
Automotive mileage	6,095,540	-	-	6,095,540
Telecommunication fees	3,792,430	-	-	3,792,430
Special district fees	3,065,031	4,612,081	-	7,677,112
Materials and supplies	268,293	-	-	268,293
Data processing maintenance service	1,069,818	-	-	1,069,818
Printing services	1,580,329	-	-	1,580,329
Mailing services	177,504	-	-	177,504
Miscellaneous	464,685	6,619	-	471,304
Total operating revenues	<u>16,513,630</u>	<u>4,618,700</u>	<u>13,603,034</u>	<u>34,735,364</u>
Operating Expenses				
Salaries and employee benefits	4,692,044	3,040,360	745,527	8,477,931
Service and supplies	12,213,683	1,355,373	3,938,372	17,507,428
Depreciation	1,598,092	119,393	1,473	1,718,958
Judgements and damages	-	-	9,198,958	9,198,958
Total operating expenses	<u>18,503,819</u>	<u>4,515,126</u>	<u>13,884,330</u>	<u>36,903,275</u>
Operating income (loss)	<u>(1,990,189)</u>	<u>103,574</u>	<u>(281,296)</u>	<u>(2,167,911)</u>
Nonoperating Revenues (Expenses)				
Interest revenue	223,193	14,574	516,440	754,207
(Loss) on disposal of capital assets	(99,766)	-	(7,591)	(107,357)
Total nonoperating revenues (expenses)	<u>123,427</u>	<u>14,574</u>	<u>508,849</u>	<u>646,850</u>
Income (loss) before capital contributions and transfers	<u>(1,866,762)</u>	<u>118,148</u>	<u>227,553</u>	<u>(1,521,061)</u>
Capital contributions	6,850	5,179	-	12,029
Transfers in	3,057,362	-	152,774	3,210,136
Transfers out	(20,167)	-	(17,500)	(37,667)
Change in net assets	<u>1,177,283</u>	<u>123,327</u>	<u>362,827</u>	<u>1,663,437</u>
Total net assets, beginning of year	<u>17,579,331</u>	<u>1,480,281</u>	<u>2,772,681</u>	<u>21,832,293</u>
Total net assets, end of year	<u><u>\$ 18,756,614</u></u>	<u><u>\$ 1,603,608</u></u>	<u><u>\$ 3,135,508</u></u>	<u><u>\$ 23,495,730</u></u>

County of Placer, California

**Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2004**

	<u>County Services</u>	<u>District Services</u>	<u>Self Insurance</u>	<u>Total</u>
Cash Flows from Operating Activities				
Receipts from customers and users	\$ 16,620,229	\$ 4,623,617	\$ 13,944,815	\$ 35,188,661
Payments to suppliers	(12,877,567)	(1,485,882)	(3,942,516)	(18,305,965)
Payments to employees	(4,826,491)	(3,168,200)	(782,514)	(8,777,205)
Payments of judgements and claims	-	-	(6,896,458)	(6,896,458)
Net cash provided by (used in) operating activities	<u>(1,083,829)</u>	<u>(30,465)</u>	<u>2,323,327</u>	<u>1,209,033</u>
Cash Flows from Noncapital Financing Activities				
(Advances to) repayments from other funds	39,381	(133,013)	-	(93,632)
Advances from other funds	-	215,000	-	215,000
Transfers in	3,057,362	-	152,774	3,210,136
Transfers out	(20,167)	-	(17,500)	(37,667)
Net cash provided by noncapital financing activities	<u>3,076,576</u>	<u>81,987</u>	<u>135,274</u>	<u>3,293,837</u>
Cash Flows from Capital and Related Financing Activities				
Purchase of capital assets	(2,422,578)	(223,547)	-	(2,646,125)
Capital contributions	6,850	5,179	-	12,029
Net cash (used in) capital and related financing activities	<u>(2,415,728)</u>	<u>(218,368)</u>	<u>-</u>	<u>(2,634,096)</u>
Cash Flows from Investing Activities				
Interest received	223,193	14,574	516,440	754,207
Net cash provided by investing activities	<u>223,193</u>	<u>14,574</u>	<u>516,440</u>	<u>754,207</u>
Net increase (decrease) in cash and cash equivalents	(199,788)	(152,272)	2,975,041	2,622,981
Cash and cash equivalents, beginning of year	11,312,751	997,468	23,138,689	35,448,908
Cash and cash equivalents, end of year	<u>\$ 11,112,963</u>	<u>\$ 845,196</u>	<u>\$ 26,113,730</u>	<u>\$ 38,071,889</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ (1,990,189)	\$ 103,574	\$ (281,296)	\$ (2,167,911)
Adjustment to reconcile operating income (loss) to cash flows provided by (used in) operating activities:				
Depreciation expense	1,598,092	119,393	1,473	1,718,958
Decrease in accounts receivable	106,599	4,917	333,789	445,305
Decrease in due from other funds	-	-	7,992	7,992
Decrease in inventories	19,860	-	-	19,860
(Increase) decrease in prepaid items	(4,622)	318	(249)	(4,553)
(Decrease) in accounts payable	(139,959)	(130,827)	(3,895)	(274,681)
(Decrease) in due to other funds	(539,163)	-	-	(539,163)
(Decrease) in compensated absences payable	(134,447)	(127,840)	(36,987)	(299,274)
Increase in self-insurance liability	-	-	2,302,500	2,302,500
Total adjustments	906,360	(134,039)	2,604,623	3,376,944
Net cash provided by (used in) operating activities:	<u>\$ (1,083,829)</u>	<u>\$ (30,465)</u>	<u>\$ 2,323,327</u>	<u>\$ 1,209,033</u>

AGENCY FUNDS



Agency Funds

Unapportioned Collections

This fund accounts for property taxes receivable (secured and unsecured), court fines, amounts which are impounded because of disputes or litigation, as well as amounts held pending authority for apportionment.

1915 Act Bonds Fund

This fund accounts for the collection of property owners' debt service obligation which is used to pay principal and interest on 1915 Act Bonds.

Clearing Funds

These funds account for assets held by the County as an agent for individuals, private organizations, or other governmental units. These funds include payroll deduction and sales tax payable clearing funds.

1911 Act Bonds Fund

This fund accounts for the collection of property owners' debt service obligation which is used to pay principal and interest on 1911 Act Bonds.

Other Agency Funds

These funds account for assets which are under the control of various County officers and whose use is restricted to specific, non-grant programs.

Parks Dedication

This fund is used to account for developer fees which are used to build parks in the County.

County of Placer, California
Combining Balance Sheet - Agency Funds
June 30, 2004

	Unapportioned Collections	1915 Act Bonds Fund	Clearing Funds	1911 Act Bonds Fund	Other Agency Funds	Parks Dedication	Total
Assets							
Cash and investments	\$ 5,928,542	\$ 3,539,120	\$ 4,169,692	\$ 9,885	\$ 7,625,474	\$ 3,655,962	\$ 24,928,675
Receivables:							
Accounts, net	142,192	-	2,925	-	-	-	145,117
Taxes, net	21,404,611	-	-	-	-	-	21,404,611
Special assessments, net	-	4,073,429	-	-	-	-	4,073,429
Due from other governments	323,414	3,175	-	-	-	-	326,589
Total assets	<u>\$ 27,798,759</u>	<u>\$ 7,615,724</u>	<u>\$ 4,172,617</u>	<u>\$ 9,885</u>	<u>\$ 7,625,474</u>	<u>\$ 3,655,962</u>	<u>\$ 50,878,421</u>
Liabilities							
Agency obligations	<u>\$ 27,798,759</u>	<u>\$ 7,615,724</u>	<u>\$ 4,172,617</u>	<u>\$ 9,885</u>	<u>\$ 7,625,474</u>	<u>\$ 3,655,962</u>	<u>\$ 50,878,421</u>
Total liabilities	<u>\$ 27,798,759</u>	<u>\$ 7,615,724</u>	<u>\$ 4,172,617</u>	<u>\$ 9,885</u>	<u>\$ 7,625,474</u>	<u>\$ 3,655,962</u>	<u>\$ 50,878,421</u>

County of Placer, California

**Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Fiscal Year Ended June 30, 2004**

	Balance July 1, 2003	Additions	Deductions	Balance June 30, 2004
Unapportioned Collections				
Assets				
Cash and investments	\$ 8,002,377	\$ 1,221,330,074	\$ (1,223,403,909)	\$ 5,928,542
Receivables (net):				
Accounts	192,117	143,939	(193,864)	142,192
Taxes	22,153,719	498,556,205	(499,305,313)	21,404,611
Due from other funds	1,124,584	-	(1,124,584)	-
Due from other governments	226,293	275,007	(177,886)	323,414
Total assets	<u>\$ 31,699,090</u>	<u>\$ 1,720,305,225</u>	<u>\$ (1,724,205,556)</u>	<u>\$ 27,798,759</u>
Liabilities				
Agency obligations	\$ 30,566,514	\$ 747,310,545	\$ (750,078,300)	\$ 27,798,759
Due to other funds	1,132,576	(1,132,576)	-	-
Total liabilities	<u>\$ 31,699,090</u>	<u>\$ 746,177,969</u>	<u>\$ (750,078,300)</u>	<u>\$ 27,798,759</u>
1915 Act Bonds Fund				
Assets				
Cash and investments	\$ 9,983,897	\$ 6,099,392	\$ (12,544,169)	\$ 3,539,120
Special assessments receivable (net)	4,241,670	417,991	(586,232)	4,073,429
Due from other governments	-	3,175	-	3,175
Total assets	<u>\$ 14,225,567</u>	<u>\$ 6,520,558</u>	<u>\$ (13,130,401)</u>	<u>\$ 7,615,724</u>
Liabilities				
Agency obligations	<u>\$ 14,225,567</u>	<u>\$ 4,913,354</u>	<u>\$ (11,523,197)</u>	<u>\$ 7,615,724</u>
Clearing Funds				
Assets				
Cash and investments	\$ (3,284)	\$ 103,995,623	\$ (99,822,647)	\$ 4,169,692
Accounts receivable (net)	3,896	1,524	(2,495)	2,925
Total assets	<u>\$ 612</u>	<u>\$ 103,997,147</u>	<u>\$ (99,825,142)</u>	<u>\$ 4,172,617</u>
Liabilities				
Agency obligations	<u>\$ 612</u>	<u>\$ 152,146,565</u>	<u>\$ (147,974,560)</u>	<u>\$ 4,172,617</u>

County of Placer, California

**Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Fiscal Year Ended June 30, 2004**

	Balance July 1, 2003	Additions	Deductions	Balance June 30, 2004
1911 Act Bonds Fund				
Assets				
Cash and investments	\$ 11,425	\$ 135,484	\$ (137,024)	\$ 9,885
Liabilities				
Agency obligations	\$ 11,425	\$ 217,255	\$ (218,795)	\$ 9,885
Other Agency Funds				
Assets				
Cash and investments	\$ 6,843,403	\$ 13,902,545	\$ (13,120,474)	\$ 7,625,474
Liabilities				
Agency obligations	\$ 6,843,403	\$ 11,802,812	\$ (11,020,741)	\$ 7,625,474
Parks Dedication				
Assets				
Cash and investments	\$ 3,498,991	\$ 1,682,822	\$ (1,525,851)	\$ 3,655,962
Liabilities				
Agency obligations	\$ 3,498,991	\$ 2,473,256	\$ (2,316,285)	\$ 3,655,962
All Agency Funds				
Assets				
Cash and investments	\$ 28,336,809	\$ 1,347,145,940	\$ (1,350,554,074)	\$ 24,928,675
Receivables (net):				
Accounts	196,013	145,463	(196,359)	145,117
Taxes	22,153,719	498,556,205	(499,305,313)	21,404,611
Special assessments	4,241,670	417,991	(586,232)	4,073,429
Due from other funds	1,124,584	-	(1,124,584)	-
Due from other governments	226,293	278,182	(177,886)	326,589
Total assets	\$ 56,279,088	\$ 1,846,543,781	\$ (1,851,944,448)	\$ 50,878,421
Liabilities				
Agency obligations	\$ 55,146,512	\$ 918,863,787	\$ (923,131,878)	\$ 50,878,421
Due to other funds	1,132,576	(1,132,576)	-	-
Total liabilities	\$ 56,279,088	\$ 917,731,211	\$ (923,131,878)	\$ 50,878,421

STATISTICAL SECTION



STATISTICAL SECTION

COUNTY OF PLACER, CALIFORNIA
GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION⁽¹⁾
LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>General Government</u>	<u>Public Protection</u>	<u>Public Assistance</u>	<u>Health & Sanitation</u>	<u>Public Ways & Facilities</u>	<u>Recreation & Cultural Services</u>	<u>Education</u>	<u>Capital Outlay</u>	<u>Debt Service</u>	<u>Total</u>
1994-1995	26,628,339	54,463,433	43,333,030	18,781,677	13,472,774	1,257,500	2,077,001	5,305,365	1,490,732	166,809,851
1995-1996	27,629,098	59,790,237	44,858,267	21,998,042	18,093,221	1,261,874	2,211,444	1,538,633	847,081	178,227,897
1996-1997	28,274,651	66,215,322	43,812,796	24,534,652	19,136,346	1,670,648	2,613,128	6,322,383	1,550,534	194,130,460
1997-1998	30,752,879	70,034,073	42,554,278	21,251,180	24,150,102	1,878,556	2,478,480	6,509,108	2,081,112	201,689,768
1998-1999	45,233,744	72,840,246	37,737,970	31,691,025	13,769,480	1,971,224	2,238,368	688,191	1,788,281	207,958,529
1999-2000	41,041,882	73,164,157	35,858,710	34,226,947	9,495,073	2,252,778	2,518,935	13,998,017	2,368,816	214,925,315
2000-2001	47,735,206	75,908,391	35,983,967	42,509,398	19,168,596	2,372,353	2,722,881	12,719,749	2,607,815	241,728,356
2001-2002	47,351,895	91,654,324	63,731,770	27,112,668	16,416,551	367,804	3,243,144	19,015,404	2,317,436	271,210,996
2002-2003	48,427,649	104,450,569	50,760,486	50,564,834	18,102,276	431,133	4,884,177	27,249,325	2,520,985	307,391,434
2003-2004 (2)	54,577,767	109,701,782	50,005,393	48,805,220	19,389,573	576,396	3,931,553	21,797,773	5,792,408	314,577,865

(1) Includes General, Special Revenue, Capital Projects, Debt Service and Permanent Funds.

(2) Gold Country Settlement Funding Corporation added July 1, 2003

Source: Comprehensive Annual Financial Report

COUNTY OF PLACER, CALIFORNIA
GENERAL GOVERNMENTAL REVENUES BY SOURCE ⁽¹⁾
LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Taxes</u>	<u>Licenses & Permits</u>	<u>Fines, Forfeits & Penalties</u>	<u>Use of Money & Property</u>	<u>Intergovernmental</u>	<u>Charges for Services</u>	<u>Tobacco Settlement</u>	<u>Miscellaneous</u>	<u>Total</u>
1994-1995	47,789,701	3,597,224	1,789,262	3,926,934	91,148,175	13,759,733	-	2,222,381	164,233,410
1995-1996	53,941,292	3,819,326	1,810,800	2,660,138	96,650,752	14,525,638	-	2,564,689	175,972,635
1996-1997	56,029,155	3,762,223	1,693,032	2,837,118	99,726,168	20,862,927	-	9,548,500	194,459,123
1997-1998	59,725,713	4,095,784	3,827,169	3,380,091	105,456,532	17,983,585	-	1,884,322	196,353,196
1998-1999	62,908,353	4,733,097	7,949,682	3,975,393	114,351,363	18,948,747	-	2,302,619	215,169,254
1999-2000	73,238,349	5,147,632	9,846,477	5,243,838	122,972,542	22,481,561	-	3,525,650	242,456,049
2000-2001	79,757,475	5,381,591	10,388,902	6,737,911	135,119,046	27,035,642	-	4,485,387	268,905,954
2001-2002	88,347,603	5,381,070	10,791,424	8,671,840	156,705,820	31,532,257	3,001,591	6,853,086	311,284,691
2002-2003	95,244,103	5,707,213	11,456,480	8,512,426	159,854,844	52,651,989	-	9,122,276	342,549,331
2003-2004 (2)	105,647,190	6,922,074	12,634,051	6,133,721	154,468,289	46,252,598	2,464,799	3,917,734	338,440,456

(1) Includes General, Special Revenue, Capital Projects, Debt Service and Permanent Funds.

(2) Gold Country Settlement Funding Corporation added July 1, 2003

Source: Comprehensive Annual Financial Report

COUNTY OF PLACER
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(Amounts in Tables Expressed in Thousands)

Fiscal Year	Tax Levies	Collections		Delinquency	
		Amount	Percentage	Amount	Percentage
1994-1995	143,442	138,922	96.85%	4,519	3.15%
1995-1996	152,841	148,740	97.32%	4,101	2.68%
1996-1997	160,059	155,856	97.37%	4,203	2.63%
1997-1998	166,956	163,568	97.97%	3,387	2.03%
1998-1999	180,544	177,158	98.12%	3,386	1.88%
1999-2000	197,740	194,796	98.51%	2,944	1.49%
2000-2001	225,588	222,178	98.49%	3,410	1.51%
2001-2002	258,852	255,004	98.51%	3,848	1.49%
2002-2003	293,011	289,142	98.68%	3,869	1.32%
2003-2004	332,071	328,348	98.88%	3,722	1.12%

Source: Placer County Auditor-Controller's Office

COUNTY OF PLACER
ASSESSED AND ESTIMATED VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

Fiscal Year	Secured		Unsecured		Total		Ratio of Assessed to Estimated Actual
	Assessed	Estimated Actual	Assessed	Estimated Actual	Assessed	Estimated Actual	
1994-1995	15,180,085,169	15,180,085,169	522,690,336	522,690,336	15,702,775,505	15,702,775,505	100%
1995-1996	16,137,983,033	16,137,983,033	531,151,529	531,151,529	16,669,134,562	16,669,134,562	100%
1996-1997	16,944,628,001	16,944,628,001	600,028,434	600,028,434	17,544,656,435	17,544,656,435	100%
1997-1998	17,595,235,280	17,595,235,280	623,643,282	623,643,282	18,218,878,562	18,218,878,562	100%
1998-1999	18,938,489,674	18,938,489,674	706,306,510	706,306,510	19,644,796,184	19,644,796,184	100%
1999-2000	20,730,343,421	20,730,343,421	756,436,161	756,436,161	21,486,779,582	21,486,779,582	100%
2000-2001	23,393,385,894	23,393,385,894	837,935,848	837,935,848	24,231,321,742	24,231,321,742	100%
2001-2002	26,721,559,694	26,721,559,694	1,006,725,857	1,006,725,857	27,728,285,551	27,728,285,551	100%
2002-2003	30,175,825,266	30,175,825,266	1,167,423,734	1,167,423,734	31,343,249,000	31,343,249,000	100%
2003-2004	34,159,616,345	34,159,616,345	1,209,794,444	1,209,794,444	35,369,410,789	35,369,410,789	100%

Source: Placer County Auditor-Controller's Office

COUNTY OF PLACER
PROPERTY TAX RATES - ALL DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS

Fiscal Year	County Special Districts	Local Special Districts	Agency Districts	Schools	Cities	Countywide Rate	Total ⁽¹⁾
1994-1995	0.000000	0.022000	0.187200	0.357600	0.033900	1.000000	1.600700
1995-1996	0.000000	0.000000	0.174400	0.353100	0.030300	1.000000	1.557800
1996-1997	0.000000	0.000000	0.163600	0.406800	0.029000	1.000000	1.599400
1997-1998	0.000000	0.000000	0.163861	0.442733	0.027000	1.000000	1.633594
1998-1999	0.000000	0.000000	0.128596	0.500225	0.025500	1.000000	1.654321
1999-2000	0.000000	0.000000	0.137286	0.459497	0.024500	1.000000	1.621283
2000-2001	0.000000	0.000000	0.110548	0.522589	0.022100	1.000000	1.655237
2001-2002	0.000000	0.000000	0.097366	0.439195	0.022600	1.000000	1.559161
2002-2003	0.000000	0.000000	0.077739	0.476932	0.018000	1.000000	1.572671
2003-2004	0.000000	0.000000	0.043900	0.492342	0.016700	1.000000	1.552942

⁽¹⁾ Rates reflect voter approved Proposition 13 provisions limiting property tax levies to 1% of full cash value plus levies to pay for indebtedness approved by voters. The rates shown under districts, schools and cities represent the levies for indebtedness.

Source: Placer County Auditor-Controller's Office

COUNTY OF PLACER
SPECIAL ASSESSMENT LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(Amounts in Tables Expressed in Thousands)

Fiscal Year	Special Assessment Levies	Special Assessment Collections	Percentage Delinquent
1994-1995	36,035	34,081	5.42%
1995-1996	36,114	34,502	4.46%
1996-1997	37,527	34,809	7.24%
1997-1998	40,825	39,507	3.23%
1998-1999	43,361	41,955	3.24%
1999-2000	50,207	49,878	0.66%
2000-2001	58,309	56,578	2.97%
2001-2002	61,991	60,604	2.24%
2002-2003	67,766	66,267	2.21%
2003-2004	74,466	73,214	1.68%

Source: Placer County Auditor-Controller's Office

COUNTY OF PLACER
COMPUTATION OF LEGAL DEBT MARGIN
BY NET ASSESSED VALUE
JUNE 30, 2004
(Amounts Expressed in Thousands)

Net assessed value	\$35,369,411
Plus exempt property	<u>1,288,794</u>
Total assessed value	<u><u>\$36,658,205</u></u>
Debt limit (1.25% of total assessed value)	\$458,228
Amount of debt applicable to debt limit	<u>-</u>
Legal debt margin	<u><u>\$458,228</u></u>

Source: Placer County Auditor-Controller's Office

**COUNTY OF PLACER, CALIFORNIA
RATIO OF NET GENERAL DEBT TO
ASSESSED VALUE AND NET GENERAL DEBT PER CAPITA
LAST TEN FISCAL YEARS**

<u>Fiscal Year</u>	<u>Population</u>	<u>Assessed Value</u>	<u>Gross Debt</u>	<u>Debt Service Monies Available</u>	<u>Net General Debt</u>	<u>Ratio of Net General Debt to Assessed Value</u>	<u>Net General Debt Per Capita</u>
1994-1995	209,100	15,702,775,505	6,756,887	576,863	6,180,024	0.04%	29.56
1995-1996	216,900	16,669,134,562	6,044,866	406,232	5,638,634	0.03%	26.00
1996-1997	224,200	17,544,656,435	20,374,545	2,894,103	17,480,442	0.10%	77.97
1997-1998	231,700	18,218,878,562	28,818,210	2,225,631	26,592,579	0.15%	114.77
1998-1999	240,400	19,644,796,184	28,047,000	2,328,404	25,718,596	0.13%	106.98
1999-2000	248,700	21,486,779,582	27,597,000	2,662,722	24,934,278	0.12%	100.26
2000-2001	257,511	24,231,321,742	26,850,000	2,700,355	24,149,645	0.10%	93.78
2001-2002	264,940	27,728,285,551	26,205,000	2,761,195	23,443,805	0.08%	88.49
2002-2003	275,600	31,343,249,000	25,520,000	2,823,325	22,696,675	0.07%	82.35
2003-2004	292,105	35,369,410,789	24,805,000	2,777,819	22,027,181	0.06%	75.41

Source: Placer County Auditor-Controller's Office

COUNTY OF PLACER, CALIFORNIA
RATIO OF ANNUAL DEBT SERVICE EXPENDITURES
FOR GENERAL DEBT TO TOTAL GENERAL EXPENDITURES
LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>	<u>Total General Expenditures</u>	<u>Ratio of Debt Service to Total General Expenditures</u>
1994-1995	815,995	674,737	1,490,732	166,809,851	0.89%
1995-1996	431,000	416,081	847,081	178,227,897	0.48%
1996-1997	981,000	569,534	1,550,534	194,130,460	0.80%
1997-1998	80,300	2,000,812	2,081,112	201,689,768	1.03%
1998-1999	690,360	1,097,921	1,788,281	207,958,529	0.86%
1999-2000	711,506	1,657,310	2,368,816	214,925,315	1.10%
2000-2001	759,465	1,848,350	2,607,815	241,728,356	1.08%
2001-2002	790,702	672,378	1,463,080	271,210,996	0.54%
2002-2003	1,095,934	1,425,051	2,520,985	307,391,434	0.82%
2003-2004 (1)	1,963,815	3,828,593	5,792,408	314,577,865	1.84%

(1) Gold Country Settlement Funding Corporation added July 1, 2003

Source: Placer County Auditor-Controller's Office

COUNTY OF PLACER, CALIFORNIA
ESTIMATED DIRECT AND OVERLAPPING BONDED DEBT
JUNE 30, 2004

2003-04 Assessed Valuation: \$35,843,485,270 (includes unitary utility valuation)
 Redevelopment Incremental Valuation: 1,282,711,313
 Adjusted Assessed Valuation: \$34,560,773,957

<u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	<u>% Applicable</u>	<u>Debt 6/30/04</u>
Los Rios Community College District	0.042%	\$ 38,609
Rocklin Unified School District	100.	95,943,275
Other Unified School Districts	Various	42,585,727
Placer Union High School District	100.	40,984,040
Roseville Joint Union High School District	92.574	36,177,810
Roseville City School District	100.	41,910,771
Other High School and School Districts	100.	33,742,846
Cities of Auburn and Colfax	100.	1,439,000
Placer County Water Agency, Zone No. 1	100.	260,000
County Water Districts	100.	885,000
San Juan Suburban Water District	28.082	275,204
Nevada Irrigation District	26.466	1,209,496
Placer County Service Area No. 28, Zone 6-A-1	100.	35,000
Community Facilities Districts	100.	405,660,705
1915 Act Bonds	100.	<u>66,621,411</u>
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT		\$767,768,894

DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT:

Placer County General Fund Obligations	100. %	\$ 24,805,000
Placer County Office of Education Certificates of Participation	100.	3,100,000
Sierra and Yuba Joint Community College District Certificates of Participation	72.466 & 0.074	3,093,054
Western Placer Unified School District Certificates of Participation	100.	53,998,108
Auburn Union School District Certificates of Participation	100.	36,943,580
Eureka Union School District Certificates of Participation	100.	7,655,000
Roseville City School District Certificates of Participation	100.	20,380,000
Other School District Certificates of Participation	Various	24,964,395
City of Roseville Certificates of Participation	100.	26,515,000
Other City General Fund Obligations	100.	19,520,000
Public Utility District Certificates of Participation	4.687-79.448	1,044,972
Auburn Area Recreation and Park District Certificates of Participation	100.	<u>1,111,263</u>
TOTAL DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT		\$223,130,372

COMBINED TOTAL DEBT **\$990,899,266 (1)**

(1) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and tax allocation bonds and non-bonded capital lease obligations.

Ratios to 2003-04 Assessed Valuation:

Total Overlapping Tax and Assessment Debt 2.14%

Ratios to Adjusted Assessed Valuation:

Combined Direct Debt (\$24,805,000)0.07%
 Combined Total Debt 2.87%

STATE SCHOOL BUILDING AID REPAYABLE AS OF 6/30/04: \$0

COUNTY OF PLACER, CALIFORNIA

DEMOGRAPHIC STATISTICS

POPULATION

Jurisdiction	Date of Incorporation	Calendar Year ⁽¹⁾								
		1960	1970	1980	1990	2000	2001	2002	2003	2004
Auburn	May 1888	5,586	6,570	7,540	10,853	12,600	12,511	12,287	12,250	12,650
Colfax	3685	916	798	981	1,357	1,510	1,540	1,647	1,710	1,780
Lincoln	October 1890	3,197	3,176	4,132	7,413	10,700	13,898	17,713	20,550	23,050
Loomis	December 1984	*	*	*	5,792	6,325	6,289	6,152	6,175	6,225
Rocklin	February 1893	1,495	3,039	7,344	19,000	36,000	38,634	41,098	43,600	48,900
Roseville	April 1909	13,421	18,221	24,347	45,189	80,100	83,002	85,533	90,700	96,900
Total Incorporated		24,615	31,804	44,344	89,604	147,235	155,874	164,430	175,000	189,505
Unincorporated		<u>32,384</u>	<u>45,828</u>	<u>72,903</u>	<u>85,686</u>	<u>101,465</u>	<u>101,637</u>	<u>100,510</u>	<u>100,600</u>	<u>102,600</u>
TOTAL COUNTY		<u><u>56,999</u></u>	<u><u>77,632</u></u>	<u><u>117,247</u></u>	<u><u>175,290</u></u>	<u><u>248,700</u></u>	<u><u>257,511</u></u>	<u><u>264,940</u></u>	<u><u>275,600</u></u>	<u><u>292,105</u></u>

Source: California Department of Finance, Demographic Research Unit

* = No Data Available

(1) Information only available on a calendar year basis; Year 2000 is as of March 31, 2000

COUNTY OF PLACER, CALIFORNIA

DEMOGRAPHIC STATISTICS

ATTENDANCE

	<u>1994-1995</u>	<u>1995-1996</u>	<u>1996-1997</u>	<u>1997-1998</u>	<u>1998-1999</u>	<u>1999-2000</u>	<u>2000-2001</u>	<u>2001-2002</u>	<u>2002-2003</u>	<u>2003-2004</u>
<u>Elementary Schools</u>										
Ackerman	354	334	322	322	299	301	313	344	385	355
Alta-Dutch Flat	205	200	211	199	195	190	187	191	187	171
Auburn Union	2,837	2,885	2,873	2,934	2,765	2,697	2,652	2,708	2,599	2,600
Colfax	501	529	508	525	473	462	473	561	554	506
Dry Creek	3,097	3,632	4,075	4,445	4,627	5,008	5,196	6,386	7,008	7,271
Emigrant Gap	9	12	8	8	13	7	13	Closed	Closed	Closed
Eureka Union	2,661	2,876	3,177	3,518	3,685	3,817	3,912	4,243	4,264	4,210
Foresthill	819	823	788	754	736	693	665	623	620	603
Loomis Union	1,799	1,726	1,838	1,826	1,800	1,823	1,868	1,934	1,899	1,892
Newcastle	340	325	338	341	310	298	302	316	308	302
Ophir	252	219	238	223	227	221	221	227	202	196
Penryn	328	321	309	324	320	312	298	297	280	272
Placer Hills	1,556	1,486	1,504	1,491	1,399	1,388	1,345	1,379	1,351	1,317
Roseville City	5,092	5,204	5,326	5,454	5,500	5,656	5,915	7,107	7,530	8,003
Total	<u>19,850</u>	<u>20,572</u>	<u>21,515</u>	<u>22,364</u>	<u>22,349</u>	<u>22,873</u>	<u>23,360</u>	<u>26,316</u>	<u>27,187</u>	<u>27,698</u>
<u>Unified School Districts</u>										
Placer High	5,251	5,356	5,174	5,502	5,313	5,338	5,427	4,698	4,737	4,743
Rocklin Unified	4,599	5,167	5,700	5,978	6,172	6,630	7,139	8,615	9,171	9,644
Roseville Joint Unified	4,741	5,033	5,501	6,039	6,303	6,644	6,905	7,724	8,023	8,387
Tahoe Truckee	4,527	4,710	4,983	5,028	4,998	4,936	4,733	5,342	4,589	4,503
Western Placer	3,819	3,600	4,177	4,596	5,751	5,704	6,082	7,493	7,309	7,160
Total	<u>22,937</u>	<u>23,866</u>	<u>25,535</u>	<u>27,143</u>	<u>28,537</u>	<u>29,252</u>	<u>30,286</u>	<u>33,872</u>	<u>33,829</u>	<u>34,437</u>
<u>Community Colleges</u>										
Sierra College	<u>8,265</u>	<u>8,697</u>	<u>9,827</u>	<u>10,502</u>	<u>11,125</u>	<u>11,332</u>	<u>11,407</u>	<u>20,234</u>	<u>20,500</u>	<u>18,797</u>
TOTAL ALL SCHOOLS	<u>51,052</u>	<u>53,135</u>	<u>56,877</u>	<u>60,009</u>	<u>62,011</u>	<u>63,457</u>	<u>65,053</u>	<u>80,422</u>	<u>81,516</u>	<u>80,932</u>

Source: Placer County Office of Education

* = No Data Available

COUNTY OF PLACER, CALIFORNIA
PROPERTY VALUE, CONSTRUCTION AND BANK DEPOSITS
LAST TEN YEARS

Calendar ⁽¹⁾ Year	<u>Construction Valuations (1,000's)</u>		<u>New Dwelling Units</u>		Fiscal ⁽²⁾ Year	<u>Property Assessed Valuations (1,000's)</u>		
	Residential	Non- Residential	Single Family	Multiple Family		Residential	Non- Residential	Exempt
1995	391,142	106,022	2,441	133	1995	10,687,309	4,278,151	546,909
1996	457,912	118,025	2,723	124	1996	11,350,667	4,566,725	545,865
1997	549,856	158,899	3,011	826	1997	12,009,562	4,711,993	577,036
1998	756,930	213,860	3,878	1,328	1998	12,616,524	4,842,435	671,346
1999	814,929	278,830	3,875	1,021	1999	13,665,819	5,071,210	603,562
2000	1,094,959	234,874	4,745	1,634	2000	15,214,596	5,426,514	726,259
2001	1,087,256	219,716	4,717	1,257	2001	17,478,054	6,129,537	976,507
2002	982,553	207,798	4,216	1,076	2002	22,997,227	7,477,307	1,162,458
2003	1,135,608	256,299	4,670	584	2003	26,510,346	8,184,075	1,271,569
2004	1,069,314	267,253	4,152	164	2004	31,548,255	7,594,154	1,367,766

(1) Information only available on a calendar year basis.

(2) Prior year information may be updated as final information becomes available.

Sources: Construction Industry Research Board
Placer County Assessor's Office

**TEN PRINCIPAL TAXPAYERS
BY NET ASSESSED VALUE
JUNE 30, 2004
(Amounts in Tables Expressed in Thousands)**

Taxpayer	Type of Business	Net Secured Assessed Value	Percentage of Total Secured Assessed Value
1 NEC Electronics USA, Inc.	Electronics	\$409,950	1.20%
2 Hewlett Packard Co.	Electronics	\$360,067	1.05%
3 Pacific Gas and Electric Co.	Utility	\$305,609	0.89%
4 Roseville Shoppingtown LLC	Retail	\$198,392	0.58%
5 Roseville Telephone Co.	Utility	\$122,445	0.36%
6 Del Webb California Corp.	Real Estate, Development	\$104,978	0.31%
7 SBC California	Utility	\$70,271	0.21%
8 Creekside Center LLC	Real Estate, Development	\$59,814	0.18%
9 Squaw Valley Ski Corporation	Entertainment/Recreation	\$59,546	0.17%
10 SI VII LLC	Real Estate	\$54,548	0.16%
		<u>\$1,745,620</u>	<u>5.11%</u>

Source: Placer County Assessor's Office

COUNTY OF PLACER, CALIFORNIA
MISCELLANEOUS STATISTICAL DATA
JUNE 30, 2004

Geographic location:	Placer County is located Northeast of Sacramento. It is bound on the North by Yuba and Nevada Counties, on the East by El Dorado County, on the South by Sacramento County and on the West by Sutter County.	Number of School Districts:	
		Elementary	13
		Unified	5
		Community Colleges	1
		Total	<u>19</u>
Altitude: Auburn, CA	1,234 feet		
Area of County:	1,506 square miles	Miles of County Maintained Streets:	
		(Unincorporated area only)	1,050
Population:	292,105		
County Seat:	Auburn, CA	Number of Judicial Courts and Court Officers:	
Form of Government:	Chartered County, governed by five-member Board of Supervisors.	Court Locations	6
		Court Departments	15
		Superior Court Judicial Officers	14
		Assigned Judges	0
Registered Voters:	183,202		
Number Voting: November 2004 Election	154,497	Number of Special Districts controlled by Board of Supervisors:	142
Percent Voting: November 2004 Election	84.33%		
County Employees:	2,973	Number of Special Districts Controlled by Local Boards:	33

Source: Placer County Auditor-Controller's Office
Placer County Courts
Placer County Elections
Placer County Office of Education
Sacramento Regional Research Institute